

INSIDE:
WHO'S1997
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THE TAB

THURSDAY 20 MARCH 1997

WEATHER: Bright start, overcast later

(IR45p) 40p

Boom! The Tory economy begins to boil

Diane Coyle and Anthony Bevins

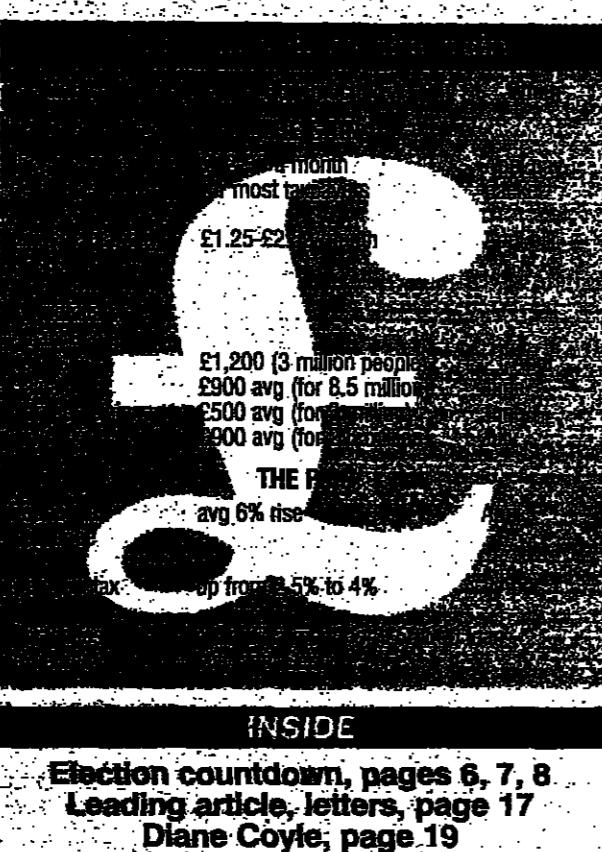
The turbo-charged economy delivered a dramatic fall in the number of people claiming unemployment benefit in February, taking the headline jobless total below 1.75 million for the first time since November 1990.

As John Major, Michael Heseltine, and Kenneth Clarke rammed home their election message, that "Britain is booming", warning signs of higher inflation made an increase in interest rates and mortgage costs after the election a racing certainty in the eyes of the financial markets.

The latest economic indicators will have deepened the rift between the Chancellor of the Exchequer and Eddie George, Governor of the Bank of England, over interest rate policy. Minutes of their meeting last month showed that Mr Clarke turned down flat the Governor's advice to increase borrowing costs straight away.

The politics of the booming economy have been repeatedly exposed by the Prime Minister and his top team this week, in a concerted effort to revive Conservative fortunes. Mr Clarke said on Tuesday: "Today, Britain is booming, without going bust." Yesterday, Mr Heseltine told a Tory election press conference: "Britain is booming. Britain is doing extremely well as the figures clearly reveal."

That was followed by Mr Major, who said during an election campaign visit to Newbury, in Berkshire: "Britain is booming, but not in an unreasonable



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Diane Coyle, page 19

way." He then added: "We must make sure that is not thrown away."

But the Chancellor's run of luck with the figures could be coming to an end. A fresh batch published yesterday lent weight to the Bank of England's inflation warning, and Bank officials are concerned that the Government has not hit its inflation target at any point since

the end of 1994.

The biggest shock yesterday was news of a pick-up in earnings growth to 3 per cent in January from 4 per cent in October – the fastest acceleration for 20 years. No City expert expects Mr Clarke to bite the bullet after his next – and possibly final – monthly meeting with Mr George on April 10.

"Kenneth Clarke would have

to be a saint to raise interest rates next month. He would have to wait for the history books to give him credit," said David Mackie, an economist at investment bank J.P. Morgan.

But some Opposition sources suspect Mr Clarke might act to underline his prudence, and show that he will not take risks with the economy. The financial markets firmly expect a rise in the cost of borrowing, which would be passed on to most mortgages, at the meeting straight after the election between the Governor and whoever is then Chancellor.

"Interest rates will go up on 7 May. The only question is by how much," predicted Ciaran Barr, an economist at Deutsche Morgan Grenfell.

The Labour Party challenged yesterday's unemployment figures. The Labour leader, Tony Blair, said: "I don't believe most people think these statistics are a true reflection of the situation because many people are ineligible to claim unemployment benefit but they are still basically unemployed."

Don Foster, the Liberal Democrat spokesman, said: "We all want unemployment to fall – but not just because people have vanished from the unemployment figures to miraculously pop up somewhere else. Creating a black hole for people to fall into is not the same as creating jobs."

Later, Mr Heseltine savagely attacked Labour spokesman Stephen Byers for saying that Britain was the youth unemployment capital of Europe. "Stephen Byers is lying," he said.

Deputy Prime Minister said: "Not even the Europeans believe him."

Although the Office for National Statistics said the introduction of the Jobseeker's Allowance in October had distorted the figures to an unknown extent, it said the downward trend in unemployment had gathered speed. The

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Thatcher as Prime Minister, joblessness was down in all regions, especially the south-east. Other figures confirmed that the economy is buoyant. Unfilled vacancies in Jobcentres are higher than at the peak of the last boom, with almost a quarter of a million new vacancies posted last month. Employment has risen too, with the strongest gains in the service industries. In addition, high street sales grew far more than expected last month. Earlier surveys had painted a downbeat picture, but official figures showed strong growth in sales volumes almost across the board.

Business, page 20

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Business, page 20

Major denies sleaze cover-up

Anthony Bevins and Christian Wolmar



If you are presented as a pariah by the media, people are bound to doubt.

Hamilton: On the offensive

I've lived with these allegations for two and a half years. I've seen my name dragged through the mud. I want to set the record straight.

Michael Heseltine, the deputy Prime Minister, reached amply to Opposition accusations that the Prime Minister had expedited prorogation – freezing all parliamentary activity – in a calculated exercise to kill off Sir Gordon's sleaze

trial in Newbury, Berkshire, he described Opposition claims that he had deliberately acted to prevent Sir Gordon's report coming out before polling day, as "utterly false".

But Gordon Brown, the shadow Chancellor, said no "technical reason" should be allowed to stand in the way of the report's publication before the election.

He said the Prime Minister could adjourn Parliament, putting it into recess instead of insisting on prorogation – which would allow the Commons Committee on Standards and Privileges to order publication of Sir Gordon's report when it is delivered next week.

That would not alter the timing of the election, because there is still more than a fortnight to go before the dissolution on 8 April.

Mr Hamilton has consistently denied accepting cash for

asking questions on behalf of Harrods owner, Mohamed Al Fayed, but a libel action against The Guardian, which had made these allegations, collapsed last October. Mr Hamilton, speaking on Sky News and brandishing his evidence to Sir Gordon, accepted that he had made "some errors of judgement in the past" but that he was "not guilty of any dishonesty, let alone corruption".

Last night Mr Ashdown, leader of the nationalist parties, and the entire Shadow Cabinet put down a Commons motion calling for the prorogation of Parliament to be postponed, in order that the report could be published.

Mr Ashdown said that if Mr Major did not act, "then there will be a widespread belief that the Prime Minister has sent Parliament away nineteen days early in order to hide something."

Italian comedy of errors over £100m tax bill

Andrew Gammie

Salvatore Giganti, with tragicomic consequences.

Thus it was that, last December, Salvatore Giganti, an entirely innocent 65-year-old market porter from Palermo, was served with a tax demand for £25,152,050,619 lire – the equivalent of some £7,000.

Mr Giganti, who lives with his wife and two sons in a council flat in one of the poorer quarters of the Sicilian capital, assumed the demand was a

joke or a mistake, and chose to ignore it. But two days ago, the bailiffs came knocking at his door threatening the confiscation of his every last possession.

Rising the gravity of his plight, Mr Giganti appealed to the police. The carabinieri realised the man before them had nothing to do with the Mr Giganti caught with a truckful of contraband cigarettes outside Naples in 1983 and wanted for a string of offences since.

But that was not enough. Italy's fiscal authorities may be notoriously bad at catching up with tax dodgers, but once they have someone in their clutches there is no escape. Yesterday, the bailiffs impounded Mr Giganti's furniture, with the exception of his marital bed, and told him they would sell everything at auction if he did not come up with the money within 90 days.

Mr Giganti promptly did what any harassed southern

Italian would do under the circumstances. He checked himself into hospital complaining of heart failure. The television cameras duly filmed him writhing around in rather hysterical agony and thrust their microphones accusingly under the noses of various embarrassed Palermo officials. He is still awaiting an official retraction, but his career on Italy's late-night television chat-shows seems assured.

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Break beef outlook

Sales prospects for British beef in Europe appeared bleak last night following agreement on new European Union rules forcing all beef sold after 1 January 1990 to be marked with its country of origin.

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news

significant shorts

Opted-out primary schools get cash to build nurseries

Opted-out primary schools are being offered millions of pounds to build new nursery units, allowing them to take advantage of income from the Government's controversial nursery voucher scheme. Revelations that the quango which funds grant-maintained schools will set aside £5m from its capital fund over two years for nurseries were yesterday condemned as "scandalous" by Margaret Hodge, Labour's spokeswoman on nursery education.

She said the Government was permitting "sweeteners" to be made available to those schools which had opted out of local authority control but not to private and voluntary-sector playgroups. The move by the Funding Agency for Schools will add to concerns that John Major's flagship nursery voucher scheme is not working as ministers hoped.

A report by the cross-party Education and Employment Select Committee, leaked last week to *The Independent* and published officially yesterday, found no evidence that the scheme was fulfilling its key aim of extending parental choice of nursery provision. It said some private and voluntary playgroups risked closure as schools anxious to safeguard pupil numbers and funding recruited four-year-olds in reception classes. Lucy Ward

Carey's 'wearing' role

The Archbishop of Canterbury, Dr George Carey, has admitted he that finds his job "wearing" and that he expects to retire within five years. "There are times when I get very tired," said the 60-year-old Archbishop, said in a TV documentary. "I feel fine now, but there is no doubt about it that in five years time I would be ready to hand over to somebody else". The Meridian programme, *Passions*, to be screened on Sunday, accompanies Dr Carey on a trip to South Africa to mark the retirement of Bishop Desmond Tutu. Clare Gammie

Robinson gets backing for UN post

The Irish cabinet yesterday confirmed that it will propose President Mary Robinson (left) for the vacant post of United Nations Commissioner for Human Rights.

Mrs Robinson said last week that she would not seek re-election when her seven-year term as Irish President ends at the end of this year. She formally announced her candidacy during a visit to the UN War Crimes Tribunal in The Hague this week. On Monday

the Taoiseach, John Bruton, canvassed American support for her during St Patrick's Day meetings in Washington with President Bill Clinton and Vice-President Al Gore. Alan Murdoch

Delays as train services cancelled

Thousands of passengers have been subjected to delays after a second private rail company was forced to cancel services when it cut 89 drivers from its payroll. MTL, the bus company which now runs Regional Railways North East, a sprawling service which serves major cities such as Birmingham, Sheffield, Liverpool and Manchester, made the drivers redundant after taking the firm over earlier this month and then was forced to cancel 79 trains. The company defended its actions saying it had inherited the restructuring from British Rail. Peter Croome, its chairman, said that for the "franchise area overall the rate of cancellations has increased very marginally". Randeep Ramesh

Kilroy-Silk wins libel damages

The broadcaster, Robert Kilroy-Silk, yesterday received "substantial damages", costs, and a public apology in the High Court from the Tory MP Warren Hawkins. The MP for Halesowen and Stourbridge, had accused the former Labour MP, in a press release, of political bias in his television chat show *Kilroy*. Kim Sengupta

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people



Tadao Ando: The creative rebel has become a thoughtful and cultured artist (Photograph: FSP)

Le Corbusier's successor turns concrete into gold

Tadao Ando, a former boxer and self-taught architect, is the recipient of the 1997 Royal Gold Medal for Architecture. The award, which is in the gift of the Queen, is organised by the Royal Institute of British Architects and although it carries no cash prize, like the rival Pritzker (USA), Carlsberg (Denmark) and Praemium Imperiale (Japan) awards, it is widely considered the most prestigious of its kind.

Ando will be unfamiliar to the British public, yet he is without doubt one of the very finest architects working in the world today, combining raw power and great emotional and spatial subtlety. He seems incapable, to date, of formulaic commercial hackery: each new building is an exploration of an architecture that is unmistakably his own.

Ando has not built in Britain. He was shortlisted to transform London's redundant Bankside Power Station into the new Tate Gallery of Modern Art, but the token drawings he presented to the judges of the Tate's design competition suggested that his heart was not in the project. He did not even visit the site. The nearest Ando building is the Meditation Space for Unesco (Paris, 1995), followed by a Seminar block for Vitra, the Swiss furniture company (Basel, 1993) and the Benetton Research Centre (Treviso, 1991-2).

Although a controversial figure at home, where his pugnacious individualism is viewed with some suspicion, Ando was called on to represent his native Japan at the 1992 Seville Expo where he designed the Japanese Pavilion, a memorable fusion of traditional and modern design and construction.

His finest buildings, all in Japan, include the library of religious buildings he created on Mount Bokko, Kobe (1985-86), the Chapel on the Water, Tomamu (1985-9) and the Church of the Light, Osaka (1987-9). "In a world dominated by consumerism", reads the Gold Medal citation, "Ando seeks solace through his architecture in the rediscovery of new relationships between space and light, modern finishes, man and nature. He is called a minimalist, although there is nothing simple about the man. Ando has emerged as something of a creative rebel in his own country, although clearly respected as a thoughtful and cultured artist. To the rest of the world he is an architectural hero."

Born in Osaka in 1941, Ando toured some of the great architectural studios of the Sixties in Europe and the US and looked closely at the beautiful, elemental architecture of North Africa, much as the self-taught Le Corbusier had done, half a century earlier, before setting up practice in his home town in 1969. He is, if any architect is, the natural successor to Le Corbusier, the most inventive and probably this century's greatest architect.

Not surprisingly, Ando has won the other big international prizes - Carlsberg (1992), Pritzker (1995) and Praemium Imperiale (1996). To date he has no serious detractors, but equally he has been tempted to design just one office block, and that for a singular client, establishing instead a career that enables him to take on only those buildings he really wants to design. Ando's has always been the architecture of light and grace; and now it's gold. Jonathan Glancey

briefing

SOCIAL SECURITY

Massive backlog of cases dogs Child Support Agency

The controversial Child Support Agency has substantially improved its performance since its "difficult and unhappy birth", but still has a big backlog of cases to deal with, MPs said yesterday.

The role of the CSA is to take lone parents, predominantly mothers, off benefit by making absent parents pay maintenance for their offspring. But a report by the Social Security Select Committee showed that only about one third of lone parents on Income Support and Family Credit had received a CSA assessment. Even this somewhat "flattered" the agency.

The total of lone parents on benefit - over 1.46 million in May 1996 - was a "snapshot" total, whereas the figure for the CSA caseload at the same point - 485,000 - was a "cumulative" total, including cases where absent parents were themselves getting benefit and were therefore readily accessible to the CSA.

But by the end of December last year, said the MPs, the number of maintenance applications on hand was 441,754, "which includes a considerable backlog compared to an estimated 200,000-250,000 applications on hand that the Agency would expect to have when at steady state".

WHITEHALL

Complaints at all-time high

The number of complaints against Government bodies has hit a record. Michael Buckley, the Parliamentary Ombudsman, said yesterday, Of the 1,920 complaints referred to his office last year by MPs, half related to the Department of Social Security.

Mr Buckley, who was appointed in January on the retirement of Sir William Reid, said the level of complaints was such that he could only investigate those where there was a realistic chance of obtaining redress or highlighting defects in a department's systems.

"In a very busy office we need to devote our energies where they will do most good. In 1989, the year before Sir William took office, 677 complaints were received," Mr Buckley said. "The unrelenting growth in workload over the last seven years has brought problems in the shape of excessive backlogs and an increase in case throughput times."

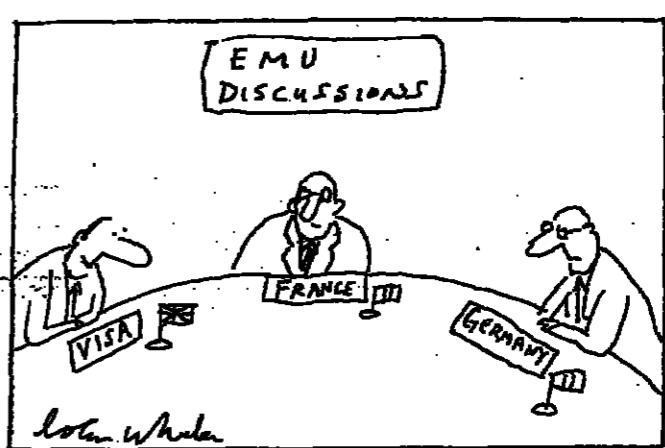
FINANCE

Plastic revolution gains momentum

The UK is leading the move away from cash and cheques in favour of paying with plastic, credit card giant Visa said yesterday. Britons use 40 million Visa cards to spend £76bn last year - up 25 per cent on 1995. Visa said this was its largest European market and now accounted for two-fifths of all its cards in Europe.

The figures bode well for Visa's plans to begin trials of a hi-tech "electronic purse" in Leeds in October. Visa Cash, a plastic card with an electronic chip which "stores" money, will allow people to buy low-cost items such as soft drinks and magazines without the need for carrying change. Visa has got several banks involved and hopes to issue cards to 70,000 people.

The plan is to extend the scheme to the rest of the country later.



SOCIETY

Poverty taking toll on young

Young people who live in poverty are at four times the risk of dying by the age of 20 than those from more affluent families, according to a new report. Children and young people have now overtaken pensioners as the largest age group in poverty and their health is suffering as a result, warns the Child Poverty Action Group.

The data, prepared by Bristol University, shows that main poverty-related health problems are accidents, respiratory problems, depression, schizophrenia, dietary deficiencies, substance abuse and sexually transmitted diseases.

Suicide rates in young men have doubled since 1975 and are almost three times higher for young poor people than for those from better-off backgrounds.

Poor housing conditions, stress and isolation from a lack of access to opportunities such as training and employment are aspects of poverty which may increase the risk of health problems.

Not to be Ignored: Young People, Poverty and Health, £8.95, CPAG Ltd, 1-5 Bath Street, London EC1V 9PY Glenda Cooper

HEALTH

Treatment to cut TB deaths

At least 10 million deaths from tuberculosis will be prevented over the next 10 years by the use of a new strategy known as Directly Observed Treatment Short-course (DOTS), a report from the World Health Organisation said yesterday. The DOTS campaign is causing the global TB epidemic to level off for the first time in decades.

The unique features of DOTS is its use of "patient observers" to watch TB patients swallow each dose of medicines. This helps overcome one of the most difficult problems that has hindered TB control efforts to date: that patients tend to take enough of their medicines to feel better, but fail to finish the course of treatment, so that they remain capable of infecting others.

With DOTS, trained health workers, and sometimes volunteers, such as shopkeepers, teachers and former patients, are used in the community to observe patients take a powerful combination of four medicines over eight months.

SCIENCE

First film of molecular motor

A molecule that functions like a rotary motor, one of nature's most amazing engineering feats, has been filmed in action for the first time by scientists.

The motor, which measures just 10 millionths of a millimetre across, is part of the complex mechanism of respiration by which cells release energy from food.

It works like the rotor arm in a car's distributor. A central spindle turns within a barrel and makes contact with the "points" - three chemical activation sites which are triggered in turn, in a similar way to spark plugs in a car.

For some time scientists have suspected that the "motor", a component of an enzyme that acts as a catalyst in the process of respiration, functions this way. Now scientists from the Tokyo Institute of Technology, Yokohama, Japan, have proved conclusively that this happens - by filming the motor spinning.

The team, led by Masanuke Yoshida, attached a tiny fluorescent filament to the "rotor arm", allowing its movement to be seen.



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Alec Guinness overwhelmed by force of publicity



Star Wars, which has taken more than £60m in the UK since 31 January.

A spokesman for 20th Century Fox said of the 82-year-old actor, who lives a reclusive life with his wife, Merula, in Hampshire: "George Lucas [the director] invited him but we received a note saying he had a previous engagement. It is a shame."

Only reluctantly did Sir Alec attend the unveiling of a plaque in London last year to mark his contribution to film. At the time he said: "The idea makes me feel rather fraudulent, my contribution to film has always been negligible, my first love has always been the theatre."

Star Wars opens across Britain on Friday.

Clare Garner

Abstract genius de Kooning dies

The Dutch-born painter Willem de Kooning, a dominant figure in the abstract expressionist art movement, has died, aged 92, after a long battle with Alzheimer's disease. He was considered one of the greatest artists of his time.

De Kooning, who died yesterday morning, once said of painting that it was: "a way of living today, a style of living so to speak ... that is where the form of it lies."

He influenced many artists of the New York School that came to prominence after World War II, but his own work was not limited to one style. His canvases ranged from the black and white *Night Square* (1950-51) to the colourful *Woman* series to early 1980s abstracts that were overwhelmingly done in primary colours. De Kooning continued to paint well

Matthew Brace

Jan 21 to 150

The world of e-mail enters the classroom

Judith Judd
Education Editor

All children over the age of nine should have their own e-mail identity, according to a report from an independent inquiry published today.

The inquiry, set up by Tony Blair, the Labour leader, to provide independent evidence about information technology in schools says it could be achieved cheaply once the problem of access to children's names and addresses had been solved.

Children would be attracted by the idea of communicating with experts through information technology and by easy access to the Internet, the report suggests. Only a small computer and a handful of staff would be needed.

Denis Stevenson, chairman of GPA plc and chairman elect of the Pearson group, who chaired the inquiry, said: "It's blindingly simple but it's a very good idea. You could have a system by which heads who wished their children to have e-

mail would write in. That would catch on very quickly."

The report describes the state of IT in schools as "primitive": nearly 50 per cent of desktop computers in primary schools are more than five years old, and in some secondary schools and nearly a third of primaries there is only one computer for a whole class.

But the answer is not to invest in expensive hardware. Instead, teachers should receive IT training and be given tax breaks to buy their own home computers because research shows that the best way to improve IT skills is by practice. Around 60 per cent of teachers are thought to be in need of IT training.

Mr Stevenson said: "I would rather buy 20,000 teachers computers than five million children. It would be grossly irresponsible to give every child a laptop when there are neither the teachers nor the software to support them."

He and his team believe that the total would be tens rather than hundreds of millions.

The report says the Government should make use of the Internet affordable and predictable for school by negotiating an agreement with the telecommunications industry.

There should be an educational website which would allow teachers and pupils to swap software, say, about the best way to teach King Lear. A report from the consultants, Mc Kinsey & Co suggests 22 per cent of homes already have computers and that figure will rise to 44 per cent by 2000.

Labour has done a deal with British Telecom and the cable companies to link all schools up to the Internet free. It is also promising to use lottery money to train teachers in IT from the year 2001.

Mr Blair has also proposed a national grid for learning which would franchise educational publishers to provide national curriculum material on an Internet site.

However, the inquiry team says, the government will need to make sure all children have

access to computers as in the past they tried to ensure that everyone had access to books through public libraries.

The report says schools should open for computer use outside hours and there should be new cyber centres and computer banks for the public in libraries. There should also be a departmental minister with the remit of improving information and communications technology in schools.

The report argues: "It is sometimes said that the UK is ahead in the penetration of computers in schools internationally. It is doubtful whether this is true. Even if it were, this is analogous to suggesting that a runner is ahead after 500m of a marathon."

And it concludes: "If the government does not take steps to intensify the use of information and communications technology a generation of children will have been put at an enormous disadvantage with consequences for the UK that will be difficult to reverse."

No sex and the single girl: Are we becoming a nation of Bridget Joneses?

Glenda Cooper
Social Affairs Correspondent

Why are men like lavatories? Because they are either vacant or engaged. Or so runs the single woman's favourite joke.

Men's egos may take a further bashing from the latest statistics from the Office for National Statistics: the General Household Survey says four in 10 single women are not having a sexual relationship.

Bridget Jones, *The Independent's* single-girl diarist, may be moan her eternal quest to find the perfect man and Mr Darcy lookalike. But she is in good company. Experts believe the new figures reflect the fact that such a large percentage of women are not having sex because men simply aren't up to scratch.

Used to choosing their own course, their own career, the way they dress and the way they spend their time, women are now applying the same sort of control in their private life. And they expect the same high standards to apply.

Mary Balfour, director of Drawing Down the Moon, described as 'the introduction agency for thinking people (apart from more of her clients, read *The Independent* than any other paper) says significantly more women than men contact her agency, in an attempt to find the perfect partner who will fit in with their lifestyles.

The qualities they are most commonly looking for (besides the inevitable sense of humour) are similar levels of ambition, success and status.

Sometimes they can be a bit unrealistic and we have to make them realise that every relationship is a compromise," she said. "But it is difficult because they have choice and control in every other area of their lives - houses, jobs, the responsibilities they take on. They may be in

very senior positions and they feel that they can apply the same criteria to their private lives."

Julia Cole, counsellor and spokesperson for Relate agrees. "You no longer hear the phrase 'on the shelf' after 30," she said. "I think there are definitely more choices for women aged 16 to 49 as opposed to the choices they had 20 years ago."

Young women who come for counselling are saying that they are delaying sexual relationships, saying 'I don't have to fit into the stereotypes that my mother and my grandmother did. I can have a career and family or a career without a family. I can be with a partner or not. They have a multiplicity of choices.'

And after three decades of easily available contraception, the urgency of having sex just because you can has also worn off, believes agony aunt Virginia Ironside.

"I think if we were looking in the 1960s and 1970s the figures would be completely different," she said. "We were all

A large percentage of women are not having sex simply because men are not up to scratch

completely preoccupied by sex and I think things have settled down. I think there has been a puritanical reaction to what went on in those decades."

"Then it was jolly difficult to say no when contraception was freely available ... Before, the old reason was that you could say 'I don't want to get pregnant.' But now with more emphasis on 'no means no' and more emphasis on women's rights, a kind of new reasoning

has come in. I think there is much more female solidarity also."

The image of teenagers as sex-obsessed Lolitas is also a myth, according to the survey. The 16-19-year-old age group were the least likely to have a sexual partner - with fewer

on the ground I don't think they have. There may be an image in the media that young women are more sexually knowing but there is still anxiety amongst them that they won't get a bad name for themselves."

But what can men do with the abstainers? "I think it leaves men in a difficult situation," said Ms Cole. "Men are having to make choices about their careers because of family life. There is now an expectation that they will spend some of their time looking after the children."

Roles have changed so dramatically since the war that there is a lot of stress building relationships. It's been like reinventing the wheel."

Of course, there is one more question to be answered in the battle of the sexes. Sadly the annual General Household Survey does not collect data on how many men claim to be having sex.

But then, we all know what they say anyway.

Living in Britain: Results from the 1995 General Household Survey, available from The Stationery Office, £30.

But Dr Christine Griffin, senior lecturer in social psychology at Birmingham University, puts this down less to messages about the dangers of HIV/AIDS and more to some vestigial attitudes about the sexual double standard.

"I think traditional attitudes do still exist," said Dr Griffin. "There is an assumption from research that a lot of people have changed their attitudes, particularly young women, but

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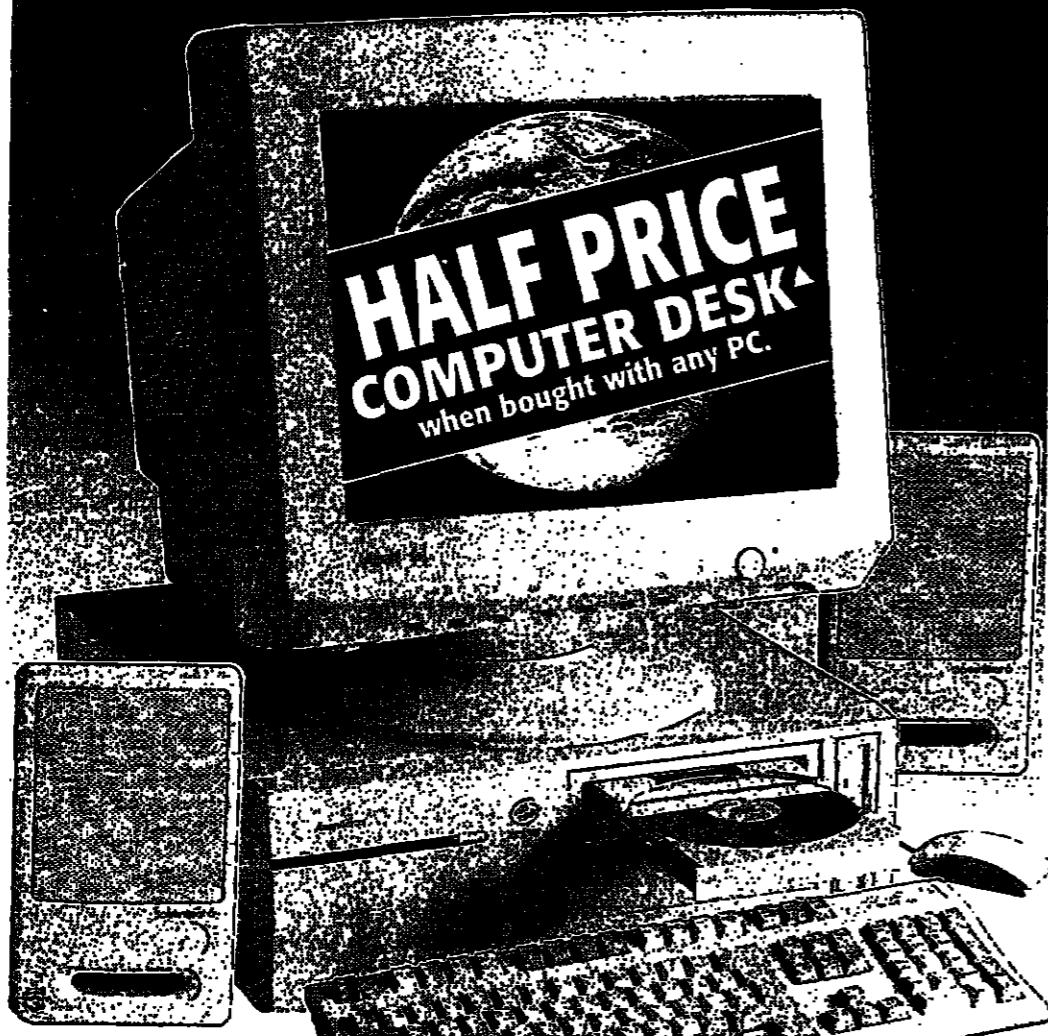
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Surveillance cameras show the two suspected gunmen walking up the stairs to Harrow and Wealdstone tube station where they identify their first victim. In the second picture, the suspects are talking to two teenage girls close to a bald black man. The final photograph is of the two men waiting on the platform for the train on which they are believed to have robbed eight women at gunpoint



22:43:40 15/03/97 24H

'Crash' première venue in doubt

David Lister
Arts News Editor

Crash, the controversial film about a group of people sexually aroused by car accidents, may be denied a central London premiere despite its 18 certificate granted by the British Board of Film Classification. A date for the premiere will not be set until a release date for Britain has been named by the distributors, Columbia TriStar.

Although the BBFC said this week that the film, based on the novel by JG Ballard, could be shown uncut to adult audiences, Westminster Council has not withdrawn the ban it imposed last year. If it refuses to do so, the only possible venue in central London for a premiere will be the Institute of Contemporary Arts which is outside the council's licensing jurisdiction. Otherwise, the venue could be one of the "art house" cinemas just outside the city centre.

A spokeswoman for Columbia TriStar said yesterday: "What we hope is that in the light of the BBFC decision Westminster Council will review their position."

The film directed by David Cronenberg, who defends it as "a metaphor", will open uncut in the United States tomorrow. But in Britain there is still opposition, with Virginia Bottomley, the Secretary of State for National Heritage, renewing her call that it should not be shown.

But although *Crash*, starring Oscar winner Holly Hunter, Rosanna Arquette and James Spader, demands a strong stomach, its sterile atmosphere and stress on the unsatisfactory nature of the characters' relationships acts against any glamorising of its subject matter.

A spokesman for Westminster Council said yesterday: "In the light of the BBFC ruling Westminster's licensing sub-committee will now review its earlier decision made last November."

The BBFC's director, James Ferman, ruled the "unusual and disturbing film" was neither illegal nor harmful. It said it was shown to a top lawyer, forensic psychologist and audience of disabled people before an 18 certificate was granted.

Gun law comes to London Tube

Jason Bennett
Crime Correspondent

Police fear that two masked robbers who held up eight women at gun point on the London Underground could strike again.

The gunmen only stole about £50 in the late-night attack. Video pictures of the assailants were released yesterday and a £1,000 reward for their capture has been offered.

The move is seen as a frightening escalation in the level of violence on the railway system. Attacks involving firearms on the Underground, however, remain extremely rare. The number of robberies on the tube has gone down by 3 per cent to 560 in the last year.

The robbery happened on Saturday night in north-west London but details were only released yesterday because the police have had problems in interviewing the victims - six of whom are from Ethiopia, Somalia and Uganda, one from Singapore and the eighth has yet to be contacted.

The women, all in their 20s and 30s, had been working on late shifts, doing casual work.

The robbers were first seen at about 11pm by the Singa-

pean women on the Bakerloo Line train at Harrow and Wealdstone.

The two men, who were photographed by Underground surveillance cameras, were joined on the platform by two teenage girls who then left the station.

The suspects got on the empty southbound train with the victim. As the train left the station the two men pulled down dark coloured woolen balaclavas and drew handguns. They took about £4 in loose change before the woman was allowed to leave at the next station.

Further along the line at Stonebridge Park station seven women boarded the train. The men robbed them of about £50 before fleeing at Willesden Junction.

Detective Inspector Alan Pacey, of the British Transport Police, who is heading the investigation into the robberies, said: "We are concerned there could be repeated incidents although there is nothing to suggest that the Underground was targeted specifically."

"It is extremely rare for guns to be used on the Underground."

The rail unions have argued that cuts in staff have made the Underground system less safe.



Soft target: Passengers travelling alone in a compartment make easier victims for robbers or other attackers

Photograph: Peter Macdiarmid

The tube train involved in the latest robbery did not have a guard and the driver was unaware of the attack.

The use of firearms is rare but gangs of youths have used a technique called "steaming" to move through carriages at great

speed snatching bags and wallets.

One of the most serious incidents involving a firearm on the London Underground happened in July 1995 when a gunman shot a tube passenger after an argument at Stockwell station in south London.

The gun was fired in the victim's face but at the last minute he lifted his arm to defend himself and the bullet was deflected by the metal bangle he was wearing.

Owners of the newly priva-

tised railways have also recognised that security needs to be improved and have begun hiring security guards to protect against pickpockets and robbers.

The gunmen involved in the incident on Saturday were described as black and aged 17-20.

They were wearing dark puffy-style jackets and dark jeans and were about 5ft 8ins to 5ft 10ins tall.

Anyone who has information about the incident should contact British Transport Police on 0171 380 1400.

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election countdown

On the tube train to Michael Heseltine's election press conference at Tarquin House, I found myself absorbed in a review of a new translation of *The Analects of Confucius*. This Chinese philosopher, who lived and taught in the fifth century BC, is described as having "established an enduring and decisive link between education and political power" – through his helpful and wise thoughts.

How alike then (I thought, as I took my seat in the little theatre) are the ancient Oriental sage and the latter day Hezza. Both sit above the sweat and smell of contingent battles dispensing useful thought from on high in unemotional tones.

Brain Mawhinney, John Major, Emperor Wu and Fan Chi may feel a terrible sense of urgency, of

A DAVID AARONOVITCH

Confucius and the art of the press conference

engagement in the struggle, but Hezza and Confucius do not.

There to speak about falling unemployment, Mr Heseltine ad-libbed desultorily through the Ten Great Faults of Labour, managing to mention eight, and then stopping when he felt like it.

As undistracted by what he was saying as he was himself, I took the opportunity to examine him closely. His physiognomy has gone through a strange second adolescence: the nose, the chin, the jaw, the ridge of the forehead, have all asserted their

dominance over the mere flesh of the face. Now a man of pure feature, Hezza looks like his own cartoons.

The truest moment came when he was taxed with the desertion of the Tory cause by its erstwhile allies on the Sun. There was a silence, then: "I have thought about this issue." Then a long pause. "And I may return to it." In the Confucius review it said that: "The brevity of many sections of the Analects, when combined with concision, make translation a formidable task". Very true.

Perhaps too, as he and Mr Mawhinney were questioned about the Downey sleaze report (not many journalists seemed that fussed about unemployment), he was reflecting on Confucius's rebuff to a pious administrator that, "among my people a

father covers up for his son, a son covers up for his father – and there is integrity in what they do".

Two hours later, Walter Sweeney, doomed Conservative member for the Vale of Glamorgan was peering myopically at his notes. A large man, whose electoral base is as narrow as his physical base is broad, Mr Sweeney has the smallest majority in the House of Commons. Nineteen votes separate continued life at Westminster from a return to provincial soliciting, and Mr Sweeney knows that just 10 disgruntled electors could prop one snake-hipped New Labour into the House.

So here he was in front of a whip, a captive Welsh Office minister, five cub scouts and Tam Dalyell's abandoned green cushion, to speak on "Education in the Vale of Glamorgan". And he

looked bemused. Not that there is anything new in this condition. Just as there are 30 words for snow in the Inuit language, so there are many shades of Sweeney bemusement – ranging from the merely abstract, through very puzzled, to the totally out of it. In the past, he has looked equally bemused when rebelling over Europe, or supporting a Bill to legalise the shooting of burglars by householders. It may be that he unerringly occupies these positions simply to keep himself bemused.

Or it may be that he wonders how in an inversion of the usual political logic – it comes about that he and unemployment look set to fall together. Easy, Walter – Confucius he says (*Analects 127*): "Without the trust of the people, no government may stand". Ask Hezza. He knows.

Europe looks ahead to a Blair summit

Sarah Helm
Brussels

European leaders are to invite Tony Blair to a mini-summit within days of a Labour victory in order to make urgent progress in negotiations on the new Amsterdam Treaty.

The European initiative means that, if elected, the Labour leader will have almost no breathing-space before he is forced to decide where his government stands on such controversial issues as reduction of the British veto.

The Dutch government, which holds the EU presidency, is anxious that if negotiations are not swiftly begun with Mr Blair, the treaty may not be ready for signature at the Amsterdam summit on 16 June.

Among those at the summit, to be hosted by Wim Kok, the Dutch Prime Minister, would be heads of government and state, including Helmut Kohl, the German Chancellor, and Jacques Chirac, the French President. Dates from 2 May on are being canvassed, sources in the Hague said yesterday.

Mr Blair is understood to have let the Dutch know he favours an informal "get-to-know-you" gathering rather than a full-blown summit.

By attending a meeting so soon after election, the Labour leader knows he may run the risk of being ambushed into signing away powers before he is fully briefed on the complex details of the Amsterdam Treaty.

However, Dutch sources say they are not interested in meeting just for a chat. The president intends to schedule a "serious meeting" of heads of

government "as soon as possible" after the election. "We don't have much time. With only six weeks, serious negotiations have to start very soon," said a Dutch official.

Other governments are also backing plans for a May meeting. "We would support any initiative that would accelerate the negotiations. Time is short," said a senior Elysée source in Paris. If a deal cannot be done at Amsterdam, plans have been laid for the signature to be delayed until Luxembourg assumes the presidency.

In a move calculated to ease the transition in the complex and far-reaching negotiations, Mr Blair intends to keep Sir Stephen Wall, the present British permanent representative to Brussels, as his chief negotiator in the Amsterdam Treaty talks. There had been speculation that Sir Stephen would face the axe under Labour. He was an aide to Baroness Thatcher and fought in the front line of the present government's "beef war", and thus might be viewed to have been tainted by association with Tory European policy.

However, he has been assured his job is secure. An accomplished diplomat, his intimate knowledge of the negotiations and his cool head under pressure are likely to prove invaluable to Mr Blair and Robin Cook, the shadow foreign secretary, should they find themselves suddenly catapulted into the Amsterdam hot-seat.

A report by the deputy chief whip of the group, Brendan Donnelly, hinted that the Prime Minister would damage Britain's interests by taking a more Euro-sceptic line.

European governments say they are cautiously optimistic that a Labour government would show greater willingness to make concessions on Europe than the present government.

In particular, other Europeans want Labour to agree to greater qualified majority voting and a "flexibility" clause which could allow a hard core of countries to pool powers at faster speeds than others.

British concessions will also be sought on greater power-sharing in areas of race and immigration, and foreign policy.

Labour has already said it will sign up to the Social Chapter. However, most European diplomats accept that, while Mr Blair's tone on the EU is more positive, he is likely to refuse any radical new power-sharing proposals, and is certain to oppose plans for ending border controls and building a multi-speed Europe with as much vehemence as the Conservatives.

As preparations for Amsterdam continue apace, the Dutch presidency is to present draft texts at a meeting in Rome next week, offering new proposals on majority voting, powers for the European parliament and allocation of commissioners.

Conservative members of the European Parliament have warned John Major against hardening Britain's stance on Europe because of "dubiously valid electoral considerations", writes Fran Abrams.

A report by the deputy chief whip of the group, Brendan Donnelly, hinted that the Prime Minister would damage Britain's interests by taking a more Euro-sceptic line.



Foot down: Paddy Ashdown visiting the artificial limbs workshop at Queen Mary's Hospital, Roehampton, yesterday

Photograph: Nichola Kurtz

Ashdown does the soft-shoe shuffle

Barrie Clement

The Chancellor of the Exchequer made a cameo appearance yesterday on the campaign trail with Paddy Ashdown. Visiting a workshop manufacturing artificial limbs, Mr Ashdown spotted a false leg with a rather disagreeable suede shoe on the foot. "Ah," said Mr Ashdown. "For Kenneth Clarke I presume."

The Liberal Democrat leader was visiting Queen Mary University Hospital, in south-west London, where the Second World War pilot, Douglas Bader, was fitted out with his leg

so that he could back to fighting the Hun.

Mr Ashdown was looking for help of another kind – sticks with which to beat the Government. But the doctors and nurses, however, were inconveniently optimistic about their lot. Yes life was tough, but no we can't complain, said Kenneth Clarke I presume."

If the staff was uncooperative, in a pleasant kind of way, the patients were aghast at seeing "that man on the telly" face-to-face. Yvonne Sydel, trying to recover from the "heebie jeebies" in the accident and emergency department found her

bed surrounded by 20-strong posse from the media. One man was barely able to make out what was going on from behind a large plaster which obscured most of his face. And there was poor Alan Smith, who had been rushed in with a "personal problem", but found himself suddenly mobbed.

There was also a small child to be patted. Cinnamon Ayleen, three-and-a-half-year-old victim of a chip pan fire, was keeping her voting intentions to herself. Indeed she quite rightly refused to say anything.

In the hospital cafe two old

ladies were impressed by the 56-year-old Mr Ashdown's head of hair. "Kept it well, he has," said one. The Liberal Democrat leader took the opportunity to consult some physiotherapists about an old skin injury he had sustained on his thumb. They seemed to think the hurt sustained was small beer and they took only a professional interest in his problem.

One woman patient showed Mr Ashdown her "bad knee" and waved a St Christopher medallion at him. She was, she said, a pianist who supported Mr Ashdown, but who also gave fundraising concerts for David Mellor, radio presenter, former minister and sitting Tory MP in the constituency.

Then briefly to Hampton Hill Junior School, where Mr Ashdown became a kind of Pied Piper of Hamlyn figure, pursued by children around the playground. "How are you off for equipment?" Mr Ashdown asked headteacher William Jenman. "Quite well off really," replied the head. Not quite the required response. Don't doctors, nurses and teachers realise how badly off they are?



Tea break: Tony Blair with trainees at the Birmingham Automotive Technology centre yesterday. Photograph: David Rose

Labour leader promises wheel of change for the young jobless

Fran Abrams
Political Correspondent

Tony Blair wielded a spanner yesterday as Labour's election machine turned its attention to young people, training and jobs.

On a visit to a vehicle mechanics' training workshop in the marginal Birmingham seat of Yardley, the Labour leader said lower unemployment figures were the result of changes in the way the statistics were calculated.

"I don't think most people believe these statistics are a true reflection of the situation. Some people are not able to claim unemployment benefit but are still basically unemployed," he said.

Mr Blair said he had chosen to visit Birmingham Automotive Technology, which has about 800 part-time and full-time trainees learning car mechanics, bodywork repairs and parts distribution, to show how training, skills and technology could get

the unemployed back to work. Labour has promised to find work for 250,000 under-25s who are currently on benefit.

The Labour leader chatted with young trainees at the centre and even looked for a moment as if he were about to muck in and change a wheel before he changed his mind and headed for the canteen.

Among the trainees who met Mr Blair was 17-year-old Clare Ameson, who has been made the centre's student of the year

for her high performance, good attendance and positive attitude.

Ms Ameson, who works at Bridge Cross Volvo in Stourbridge and is studying on day release for a Btec qualification, said she was impressed with Mr Blair.

"I would vote Labour if I were able to vote, because of the opportunities he is trying to create for young people. He was interested in what we were doing," she said.

Major spreads message from private school

Colin Brown
Chief Political Correspondent

John Major chose a private fee-paying school for the first school visit in his general election campaign to send out a clear message that the Conservatives' support for private-sector education will be one of the key battlegrounds with Labour.

Senior Tory sources said Mr Major will "take risks" in the six-week election campaign, and giving priority to private education places will be seen as a highly risky strategy – suggesting that the Tories are keen to bolster their core vote, before trying to widen their appeal.

"I wanted to draw attention to opportunities that exist for youngsters from low-income households who have the advantage of the assisted places scheme to come to schools like Pangbourne," Mr Major said. "It is an indication of the sort of excellence I would like to see right the way through education, in the public sector and the private sector."

Labour would struggle assisted places, and the independent sector and grant-maintained schools as well, Mr Major said. "That would wreck diversity of education."

Mr Major, an old boy of Rutlish grammar school, was embraced with open arms by the pupils at Pangbourne College, Newbury, where the fees are £12,000 a year for boarders.

There are 32 assisted places out of a total of 375 pupils at the school, which boasts it caters for the sons and daughters of millionaires and lone parents.

The deputy head, Garry Pike, attacked Labour's policy as "foolish" and cast doubt on

whether Labour would go ahead with abolition of assisted places.

"They are on the hook of having to provide money for nursery education. I suspect that in government, Gordon Brown will be more creative," Mr Pike said.

It was Mr Major's second visit to the school in recent weeks, and his aides said he chose it because he was impressed with its emphasis on team work, and leadership. He was treated to a display by the school's cadet forces.

Party sources promised activities to foster team work, including abseiling and a "man

dangling from a tree". It amounted to an obstacle course of photo opportunities to trap the Prime Minister in an embarrassing position. There was a bizarre exhibition of 10 students walking with their feet strapped to two planks, and an attempted rescue of the trapped "tree surgeon".

Coming a day after the tour of McLaren, where he saw a racing car with no wheels, Mr Major is learning fast.

He refused to stop for the photographers by a cadet giving mouth-to-mouth resuscitation to a rubber doll which closely resembled Michael Heseltine, and opted for a friend-

Morale-raising pep talk sends troops to battle

Labour support is "a mile wide

but an inch deep", John Major declared. "I loathe Labour and I loathe what they have done to our country. I loathe what they are still doing in Sheffield and Cumber and Cumbria up and down the country."

Reviving memories of the Winter of Discontent, he said that in 1979, the "real question was whether Britain was governable." He contrasted that with his view of the Tory record.

"Today, nobody would dream of asking that question."

He said the Tories had transformed the country with its reforms of the NHS, the trade unions and education. He repeated his message that "Britain is booming", but said Labour would put that all at

risk. Its slogan that it was "time for a change" would mean a change that would "destroy everything that is right about Britain today. We won the battle of ideas and with your help we will win the battle for hearts and minds of Britain in this election," he said.

Malcolm Rifkind, the Foreign Secretary, meanwhile, told a meeting in The Hague that the Dutch presidency of the European Union had made a significant concession to Britain's demands to keep its border controls. He said the Dutch Minister for Europe, Michael Patai, had conceded that the removal of border controls would not be brought within the treaty being negotiated at the Intergovernmental Conference in June.

election countdown

Anti-abortion debate: Fledgling party unveils pictures of dead babies it wants to use in TV broadcast

Prolife group to challenge censors

Louise Jury

Anti-abortionists who plan to fight the election in at least 50 constituencies yesterday unveiled the graphic pictures of dead babies they want to televisise in an election broadcast.

The Prolife Alliance said it would challenge any attempt to censor the scenes because it was "important that the reality is shown". Bruno Quintavalle, its director, said it was entitled to have its views aired on television because it will be "fielding enough candidates to qualify for a broadcast slot".

He could see no justification for not showing the film of aborted foetuses. "We have al-

ready been seeing a lot of very horrifying footage — scenes from Rwanda, Bosnia and other atrocities that the public felt important was seen," he said.

The clips come from a nine-minute American film with footage from a Texas abortion clinic. Individual limbs and heads as well as whole foetuses are clearly visible.

The alliance is standing on an "absolutist" platform whereby all abortion should be banned, although an exception would be made if the woman's life was at risk. Mr Quintavalle, a 25-year-old philosophy graduate, said: "We don't believe that abortion is any solution in a civilised world. It's not about presenting



Campaign launch: Jane Nielsen, a Prolife Alliance candidate, at yesterday's briefing, where graphic pictures of dead babies were shown. Inset: a lapel badge showing the feet of a 10-week-old foetus. Photograph: Kalpesh Lathige

a package of compromises. There is no way we can ascribe some magical date after which human life has a value it didn't have before." The alliance wanted to get "the truth" debated openly, he said. "The nation is in denial about abortion. It is important that if people are going to support abortion they are aware of what it entails."

Dr Michael Jarmulowicz, a

consultant pathologist, said he had come across many women who had been traumatised by abortion. "I think people need to know before hand what they are letting themselves in for."

The alliance estimates that its campaign will cost less than £100,000 and will be funded by individual donations. Many of its candidates are Muslim or Catholic, although it has no of-

ficial ties with any faith. Tory ministers Douglas Hogg, Virginia Bottomley and Sir George Young and Labour MPs Jack Cunningham and Margaret Hodge are among those who will face a prolife candidate. Jane Nielsen, 30, a Catholic from Liverpool, said she had decided to stand because too frequently ordinary people did not speak out.

A BBC spokesman said any party which was fielding 50 candidates qualified for a party political broadcast slot. However, all broadcasts had to meet its standards of taste and decency. They must not be "offensive to public feelings". Similarly, the ITV network and Channel 4 must follow the Independent Television Commission code on taste and decency.

Tartan army left smarting as 'Sun' deserts the cause

Rob Brown
Media Editor

Kinning Park, Rupert Murdoch's mini-Wapping on Clydeside, yesterday joined Culloden and Glencoe as a scene of betrayal in the Scottish nationalist psyche when the only daily newspaper to support the cause of Scottish independence deserted it on the battlefield.

The tarnished edition of the

Sun — which came out in support of a separate Scottish state in the run-up to the 1992 election — not only brutally turned its back on Alex Salmond's Scottish Nationalist Party, but urged its 400,000 subscribers north of the border to lay down their daymores and rally behind that smooth-talking Sassenach, Tony Blair.

Mr Salmond instantly and instinctively blamed the oppressive English for this sudden

but it's a start." If Labour's promised Scottish assembly turned out to be a "shambles", this would reinforce the argument for independence — and if it was a success Scots would seek more power.

But Mr Salmond said the election in Scotland was a two-horse race between the SNP and Labour and claimed the paper's Scottish staff had resisted the decision.

"The Scottish *Sun* has been forced to change its line through orders from London," he said, adding that the move was in line with Labour's "purge" of the Labour Party in Scotland.

"If Tony Blair set up a Scottish assembly, no doubt he would put the thumbscrews on that as well," he said.

Labour in Scotland will make its latest convert, despite the *Sun's* qualification that it still supported independence as a



Rallying call: Yesterday's edition of the Scottish *Sun*, which urged voters there to back Tony Blair

long-term goal. Jim Wallace, the Scottish Liberal Democrat leader, said the newspaper's support for independence in Scotland and backed Mr Blair 24 hours previously. "I'm not so much angry as sad — sad when any Scottish institution has to swallow an imposed line from south of the border," he told BBC Radio Scotland.

In words which would have had William Wallace's hung, drawn and quartered body bursting in its grave, the Scottish *Sun* splashed its policy shift in a front-page editorial under the headline "Bravehearts must wait ... it's time for brave heads".

The leading article argued: "We are throwing our weight behind the Labour Party at this election. Their plans for a Scottish parliament are far from ideal.

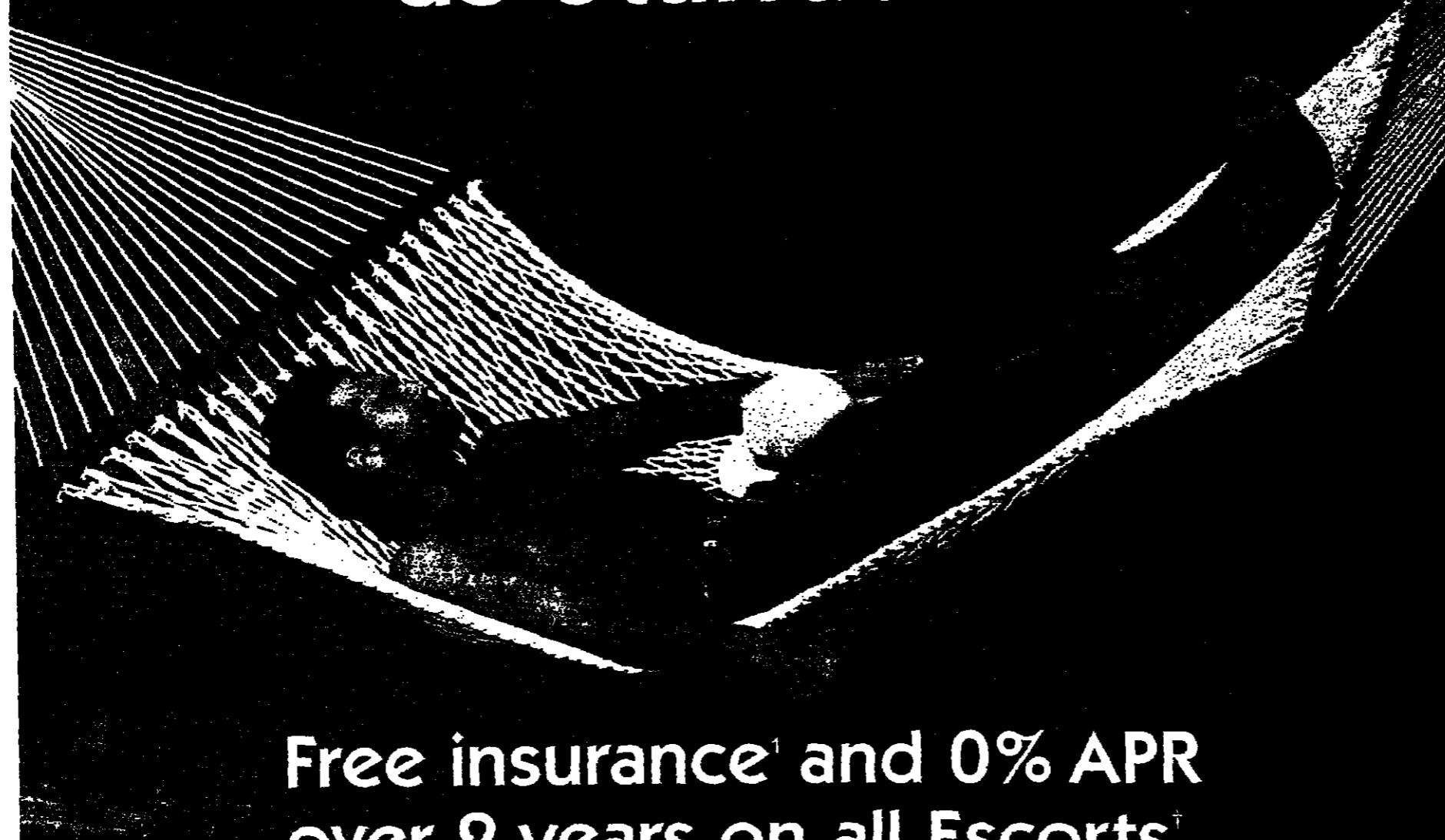
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news

Inspectors let private schools off lightly

Judith Judd
Education Editor

Inspection teams which monitor standards on behalf of independent schools are too reluctant to criticise poor heads and senior teachers, according to the Government's schools inspectorate.

And the inspectors organised by associations representing independent schools, should be more prepared to say unequivocally that standards are not high enough.

Two reports from the Office for Standards in Education (Ofsted) examined the inspection systems used by the five major independent school associations and covering more than 1,300 schools.

Ofsted concluded that the inspections were usually objective, rigorous and helped schools improve, but inspectors need to do more to discover whether pupils in independent schools, which are usually selective, were fulfilling their potential.

The reports look at the system operated by top public schools in the Headmasters and Headmistresses' Conference (HMC) and the Accreditation, Review and Consultancy Service (ARCS) one used by other independent schools.

On HMC inspections, the report says that there are considerable strengths and considerable defects. "In most HMC schools it is to be expected that standards of attainment are well above national norms, given the advantages which the schools and pupils generally enjoy. Few of the reports seriously tackle the key question of whether, given these circum-

stances, the progress pupils make is all that it should be."

Ofsted says ARCS inspections provide a useful agenda which most schools take seriously but "there is a tendency in some teams to fight shy of criticism of senior management." In addition, the team leader rarely checks the quality of the evidence provided by the team.

Where inspectors use exam results to compare standards in independent schools with those in other schools "a significant number use the results for all maintained schools which will tend to flatter these schools, many of which are to some extent selective."

Both systems should be more transparent to parents, Ofsted says. Publication of the reports is at the schools' discretion. HMC schools give parents a summary, but they are not entitled to the full report, as they would be in the state sector. Both systems meet their own different objectives, but both need to address weaknesses if they wish to gain full credibility.

Vivian Anthony, secretary of HMC, said: "We are pleased that Ofsted recognises that schools are being improved as a result of inspection. It is no surprise, that, after an operation of less than three years, there are some weaknesses; these will be addressed."

Averil Burgess, ARCS chairman, said they vindicated inspections in their two main objectives - to give assurance on standards and contribute to school improvement. The organisation is to press ahead with establishing reliable ways of assessing pupils' ability across the full range of schools.



Survivor: A rare Essex pig from the herd belonging to barrister Ian Whitney, 45, peering out from a field near Pilton Hersey, Warwickshire. The breed was amalgamated with the Wesssex saddleback by the British Pig Association in 1967 but a nest of the pure strain in the Midlands was officially recognised last year. Photograph: John Lawrence

Warning over failing health of the nation

Annabel Ferriman

Two big killers - lung cancer and skin cancer - are set to become more common in future because the Government is failing to reach the targets laid down in its *Health of the Nation* White Paper, MPs warned yesterday. The all-party Public Accounts Committee said it was "dismayed by the rise in teenage smoking", which would have

"consequent ill-effects on the population, including the incidence of cancer and vascular disease".

Health of the Nation, published in 1992, aimed to reduce smoking among 11-15-year-olds by at least a quarter, from 8 per cent to 6 per cent of the age group by 1994. In fact, it went in the opposite direction, increasing by a half, to 12 per cent. MPs called on the Department of Health, with the Department of the Environment and the Department for Education and Employment, to explore what further action could be taken to reverse this trend.

Members noted the "steep year-on-year rise" to 1988 in cases of skin cancer and, although these trends appeared to have levelled off up to 1992, the latest information showed a further rise". Noting that most

cases are avoidable, they urged the Department to consider what more can be done to reduce the incidence of this disease through further improvements in health education".

The department had made progress, however, on 11 out of 27 targets, moving in the right direction on cancer of the cervix and breast, heart disease, stroke and teenage pregnancy.

The nation was getting fatter and lazier, which members feared would have a knock-on effect on future rates of heart disease. The White Paper had recommended male obesity should come down by a quarter and female obesity by a third.

Finally, the committee also expressed its concern at the rise in drinking among women - one in seven were now drinking more than 14 units of alcohol a week, double the target set in

Health of the Nation - and the rising suicide rate among Asian women.

Dr Sandy Macara, chairman of the British Medical Association, said that more drastic action was needed to combat ill-health. On the failure to meet obesity targets, he urged positive measures to improve traffic safety and reduce street crime so adults and children could walk to work and school.

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*Source: Hindsight, UK Growth and Income sector. Figures are calculated on an offer to bid basis with net income reinvested, on a year on your basis from 2.5% to 25.2%.

The prime of prizewinner Muriel Spark

David Lister
Arts News Editor

The novelist Dame Muriel Spark, 79, won a £40,000 lifetime achievement award yesterday and said she would be giving £10,000 to the Edinburgh school that inspired her classic novel, *The Prime of Miss Jean Brodie*.

The rest she would use to buy "a lovely, new, suitable motor car which I hope will bear me in and out of our famous tunnel with ever more ease and pleasure."

Travel, she said in her acceptance speech, was the lifeblood of literature. "We have to find at first hand how other people live and die, what they say, how they smell, how they are made. I recommend travel to young authors. And also to authors not so young."

The British Literature Prize, awarded every two years by the Arts Council and funded by the David Cohen Family Charitable Trust, is "designed to recognise a lifetime's achievement to a living British writer. The winner is given £50,000 plus a further £10,000 to commission work which will encourage young writers and readers."

The prize was set up by the Arts Council in conjunction with David Cohen, a doctor and arts benefactor. The judging panel solicits views from the public before making a decision.

Dame Muriel has written novels, plays, poems, children's stories and biographies. But her name remains most closely associated with her 1961 novel, *The Prime of Miss Jean Brodie*, about an Edinburgh schoolteacher who exercises a powerful and dangerous influence over her charges. It was memorably adapted into a film starring Maggie Smith.

Announcing that she would be giving £10,000 to her former school, James Gillespie's High School in Edinburgh, Dame Muriel said: "It is a wonderful opportunity to be able to present a gift for cultural activities to James Gillespie's High



Dame Maggie Smith as the overbearing school-mistress with her charges in the film of *The Prime of Miss Jean Brodie* (left), based on Dame Muriel Spark's 1961 novel. Dame Muriel (right) plans to donate £10,000 prize money to the Edinburgh school that inspired her novel. Photograph: Kobal

School. I have a particular fondness for the school and I feel very strongly that young people should be encouraged to explore their creative talents. I hope this award will enable some of the pupils to do exactly that."

"I think I am right in saying that James Gillespie's School was founded exactly 200 years ago, in 1797, under the will of a prosperous snuff merchant, James Gillespie himself. I attended the school for 12 years and celebrated this important fact in my novel *The Prime of Miss Jean Brodie*."

Receiving the prize at a reception in London last night, Dame Muriel added: "The stated purpose of this award 'for a lifetime's achievement' is one that greatly appeals to me, for I have dedicated a lifetime to the art of fiction and to perfecting it to the utmost of my talents and capacities."

She reminisced on her first literary effort, aged nine, a poem intended, she said, "as an improvement on Robert Browning's *The Pied Piper of Hamelin*. My elders and teachers were somewhat intrigued by this nut-

less rewriting of the 'Piper Pied' as I called him, so as to rhyme with 'he cried'. And so, where angels feared to tread I continued to rush in with my improvements on many such examples of English literature."

Professor Andrew Motion, chairman of the judges, said: "This year's winner will be known to almost everyone in the country; her writing has become a part of our life. Yet one of her greatest gifts is to make the

things we know seem new and strange and wonderful."

Colin Finlayson, headteacher at the school, said: "We are delighted to be honoured in this way by Muriel Spark. Her books have been of particular literary

importance to generations of schoolchildren and I'm sure they will continue to be."

The previous two winners of the prize, established in 1993, were playwright Harold Pinter and novelist VS Naipaul.



DAILY POEM

The Daffodils

By Marita Over

And now I don't know if they were real or in a book.

They had the look of colluding schoolgirls, sucking on straws,

clear-eyed, insolent. Launching themselves from their vase on the sill,

or maybe a vale, or the brow of a hill, they were almost evangelical.

anyway, all yellow, with a feverish faith in something.

And I went quietly once with a pair of silver scissors at their buoyant optimism.

to snip out their anthers, which fell like Midas' eyelashes.

"Daffodils" appears in issue 147 of the quarterly arts magazine *Ambit*, which contains poetry, fiction, criticism and drawings by contributors who include Peter Porter, Geoff Nicholson and Kevin Crossley-Holland. *Ambit* costs £6 for a single issue or £22 for an annual subscription from Frogmore, 17 Priory Gardens, London N6 5BR. Marita Over, who won an Eric Gregory Award in 1992, will be publishing *Other Lilies* later this year with Frogmore Press.

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Address on register _____ This might not be your present address if you have moved house since 10 October 1996.

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2b. By proxy If you choose to vote by proxy give the name and address of your proxy below. You must first make certain that the person is willing and is allowed to vote on your behalf - please read the notes on the left.

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Proxy's address _____

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Now sign the statement below. I have consulted the person named above as proxy and he/she is willing and is allowed to vote on my behalf.

Signature _____ Date _____

Warning A fine of up to £5,000 can be incurred by anyone who on this application makes a statement he or she knows to be false.

This form must reach the Electoral Registration Officer for the area where you are registered by 5pm on 16 April 1997. There is a separate form for people who need a postal or proxy vote because of unforeseen health reasons and have missed the normal closing date. Contact your Electoral Registration Officer as soon as possible if this applies to you.

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Papua PM tries to appease the rebels

Michael Perry
Reuters

Port Moresby - Papua New Guinea's Prime Minister, Sir Julius Chan, yesterday offered an olive branch to rebel army officers, saying that his government would consider dropping a plan to use mercenaries against Bougainville island.

However, a helicopter pilot from the mercenaries said in Singapore that Papua New Guinea had already cancelled its contract with British-based Sandline International for the hire of the group. "The contract's terminated. It's as simple as that," the pilot said, but his comments could not immediately be confirmed.

Sir Julius's statement came after a fresh challenge to his authority as army officers rallied against the use of the mercenaries to quell a nine-year island uprising on resource-rich Bougainville and a street protest erupted in violence.

Sir Julius said six of the forty mercenaries left Papua New Guinea yesterday. The other 34 re-



Trouble spot: Police in Port Moresby attempting to stop looting which began after a protest at army barracks. (Photograph: AP)

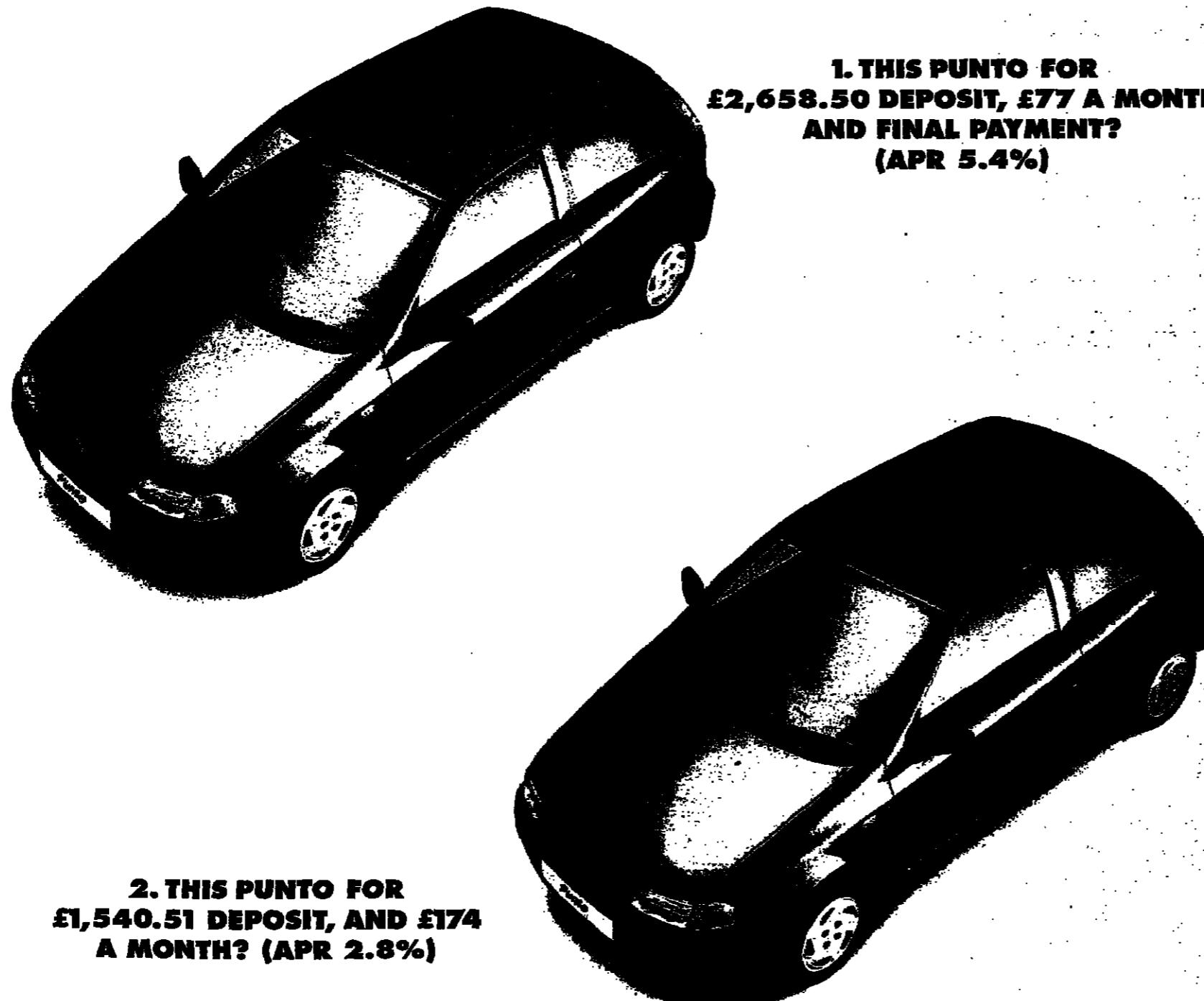
mained confined to barracks in the north of the country. He said he was in complete control of the South Pacific nation, which was thrown into chaos when he sacked the country's army chief who had demanded his resignation over plans to use the mercenaries on Bougainville. Protesters yesterday delivered a petition which called for

the mercenaries to be sent home and for Sir Julius's resignation.

In Port Moresby, former army chief Jerry Singirok said last Tuesday that he accepted his dismissal but he remained in the main barracks, where 1,500 protesters arrived to support him in his campaign against Sir Julius.

Protesters had earlier tried to entice soldiers to join them in a march on parliament house but the soldiers cheered them while remaining in barracks. Violence followed within hours when demonstrators started looting nearby shops. Police fired tear gas into the crowd and live ammunition over their heads.

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THURSDAY 20 MARCH 1997 • THE INDEPENDENT

Har Homa spells out macho message

Patrick Cockburn
Jerusalem

Asked how Israel intended the message of Har Homa to be received by Palestinians, the senior American diplomat was succinct. He told a reporter from the daily *Jerusalem Post*: "Israel's message of Har Homa for Palestinians is: 'Screw you.'

Benjamin Netanyahu, the Israeli Prime Minister, has a different explanation of why he decided to provoke a crisis by building the Jewish settlement in Jerusalem. In fact he has two explanations, though they are somewhat contradictory. The first is that the settlement is to house the rising population of the city. His second is that the motive for Har Homa is political, and by building there Israel is asserting its sovereignty in its capital.

"Nobody has been able to solve the mystery of how Netanyahu's brain operates," writes Israeli columnist Yael Marcus. "I am willing to bet that just three months ago 90 per cent of Israelis did not even know about the existence of Har Homa. Today, Netanyahu is telling us: 'If we cave in now everything is lost.' In one move, he argues, Mr Netanyahu has turned Israel into an international pariah and squandered the credit it won by withdrawing from Hebron in January.

Others point to a more serious consequence of the crisis. The Oslo accords of 1993 were intended to produce a stable balance of power between Israelis and Palestinians over six years so the two peoples could live together peacefully. The basis of the agreement was land for peace. Mr Netanyahu may ensure that at Har Homa and elsewhere in the West Bank Palestinians get less land, but by the same token Israelis will get less peace.

An alternative explanation for Mr Netanyahu's decision over Har Homa is that he was under intolerable pressure from his right wing. Bitter over his retreat in Hebron, they forced him to build at Har Homa in the hope of sabotaging Oslo as a whole. The problem with this argument is that the right of the Likud party has nowhere else to go. They do not want an election and the alternative to the present government is a coalition with Labour which certainly would implement Oslo. In a letter

to the *Jerusalem Post* last week, King Hussein of Jordan wrote that he was fed up with Mr Netanyahu's right wing being constantly used to explain why the Prime Minister had failed to meet his commitments.

A bizarre aspect of the Har Homa decision - since it was

backed by the government as an

issue which united Israelis - is

that a majority are against building now. A poll of Israeli Jews

by Galup published in the daily *Ma'ariv* yesterday shows that 48

per cent oppose starting construction at Har Homa now

and 40 per cent are in favour - although a majority believe in the right of Israel to build there.

Asked if they supported the decision to go ahead even at the price of international isolation and a conflict with the Palestinians, 28 per cent wanted to

build and 57 per cent did not.

These are not pleasing figures

for Mr Netanyahu. They underline two important political facts.

There is limited appetite in Israel for the military and political effort necessary if Israel tries to continue to occupy large areas of the West Bank.

Second, if Mr Netanyahu cannot deliver some sort of peace he can forget about being re-elected in three years time.

Why did Mr Netanyahu do it? The most obvious explanation is probably the best. He wanted to create a fact on the map in East Jerusalem. Dr Khalil Shikaki, a Palestinian political scientist, says: "The battle for Jerusalem is only just beginning. They felt they could not wait."

But the American diplomat is also probably right. Before his election last May, Mr Netanyahu said the way to deal with the Arabs was to be tough with them. Their demands were proportionate to what they thought they could get. By demolishing a home for disabled Palestinian children in the Old City of Jerusalem and then opening a tunnel into the Muslim quarter last year Mr Netanyahu tried to prove his point.

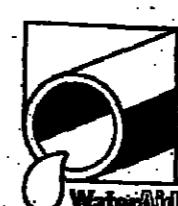
The result was disaster. In three days' fighting in Gaza and the West Bank 61 Palestinians and 15 Israelis were killed. Few exercises in political machismo have proved so counter-effective. Yet six months later Mr Netanyahu has once again picked an issue, this time at Har Homa which unites Palestinians, divides Israelis and ensures his own isolation in the world.

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Italy in crisis over influx of Albanians

Andrew Gumbel
Rome

Overwhelmed by more than 10,000 refugees who have poured across the Adriatic from Albania in the past week, Italy yesterday declared its own state of emergency to match that of its anarchic Balkan neighbour.

The government announced it was setting aside some £25m to provide shelter, food and medicine to Albanians over the next three months and agreed to give the "refugees" temporary residence papers until conditions improved back home.

Although intended to make Italy look like the good Samaritan of the international community, the state of emergency looked destined to perpetuate an already absurd situation, in which Albanians with no particular good reason to leave their homeland take up the offer of a free holiday in Italy in the secure knowledge that they will be welcomed with open arms.

While Albania's other European Union neighbour, Greece, has sent in the army to patrol its borders and try to ensure the collapse of state authority in Albania does not lead to unfettered cross-border traffic in drugs and arms, Italy appears to have thrown caution to the winds. As a result, Greece has seen no significant increase in Albanian immigrants, while Italy is swamped.

Reception centres in Puglia, the Italian region facing Albania on the Adriatic, have been overwhelmed – they were prepared for no more than 3,500 refugees – and thousands of people have been bussed to cities in Tuscany, Abruzzi and the Marches. Charities have provided thousands of packets of nappies and biscuits and found foster-homes for families with young children.

While the charitable efforts have been laudable, they appear to be based on a misunderstanding of the situation in Albania and an even graver misunderstanding of the nature of the so-called refugees.

Italian television has repeatedly talked of food shortages, abject poverty and civil war in Albania, when in fact the shortages have been temporary and the civil war non-existent since the armed gunmen rampaging around the country have been firing in the air, not at each other. Although the situation has calmed down in the past few days, the number of boat people arriving in Italy has actually increased.

As some Italian officials are beginning to acknowledge, the "refugees" are not impoverished victims of Albania's fraudulent pyramid schemes but families with at least \$1,000 (£630) in ready cash – a small fortune in Albania – which they have handed over to mafia gangs as the price for their passage to Italy.

A significant minority have fled Albania because they fear criminal prosecution – either because they have broken out of jail during the recent chaos or because they profited from the rampant corruption of the discredited regime of the past five years.

Yesterday, the Italian army escorted nearly 300 "undesirables" back to Albania amid growing fears of an outbreak of delinquency in and around the refugee reception centres.

"Not only are the Albanian *mafiosi* arriving, but so are Albanian weapons being put at the disposal of local organised crime groups," warned Pier Luigi Vigna, Italy's top anti-mafia prosecutor and one of the few officials in the country who seems to understand what is really going on.

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Suffer the children: Ermal Leka, 12, and three other boys recovering from burns in the University hospital, Tirana, Albania, where many children are injured after playing with bullets and explosives looted from government stores by rebels, and left on the streets. Photograph: Andrew Buurman



Amnesty anger at asylum barriers

Adrian Hadland

Amnesty International called yesterday on the governments of Europe to fulfil their obligations and offer asylum to refugees fleeing the violence and chaos in Albania.

The human-rights organisation, launching a major campaign to highlight the world refugee crisis, talked of the thousands of people attempting to leave Albania daily, adding to the 15 million already classified as refugees in different parts of the globe.

Amnesty argued that while some European countries have been generous in the past, many are increasingly reluctant to honour international conventions.

Such countries were making use of a "new battery of techniques" which are designed to keep refugees at bay, Amnesty said.

The use of these techniques, the group added, which seek to pass the problem off to other countries or which grant refugees only temporary safety, mean that "countless people never get a real chance to escape from torture or death threats, or else they are

sent back to countries where they run a real risk of getting thrown in jail or being handed over to executioners".

The organisation cited several examples of refugees who had been returned, against their will, to the country where they had already suffered persecution or violence.

In one case, a woman from Zaire – where an estimated 700,000 refugees are currently trying to flee a civil war – sought asylum in Sweden after escaping from a military prison. Although she had been tortured, the Swedish authorities rejected the woman's claim on several grounds, including their view that as Zaire's president did not control the military, her torture by soldiers did not constitute state persecution.

The organisation added that the new, restrictive approach adopted by many countries included the application of harsh asylum criteria, the forcible repatriation of refugees and the fining of airlines and shipping companies for carrying people without valid travel documents.

The restriction on refugees was often justified on the grounds of economic dif-

ficulties, anti-immigrant attitudes or burgeoning xenophobia, but in some cases the new approach to the refugee crisis amounted to a "callous disregard" for human life and suffering, Amnesty said.

While the number of people needing international protection continues to grow, governments seem more concerned with keeping refugees away from their borders.

It added that "the increasingly restrictive approach that more and more governments take toward refugees makes a mockery of their international and national obligations".

In a series of statements, booklets and reports issued yesterday, Amnesty fingered a number of countries guilty of what it perceived as a growing hostility toward refugees.

In Britain, measures such as the prolonged detention of asylum-seekers, the Carriers Liability Act, the "White List" of countries (where no serious risk is considered to exist) and restrictions on legal aid and welfare support amounted to barriers to entry.

Denmark and Norway, however,

were praised by the organisation for their response to refugees from Bosnia-Herzegovina in particular.

Amnesty called on the international community to improve the co-ordination and monitoring of refugee protection, and rededicate itself to the principles of the 1951 United Nations convention on the status of refugees.

The convention includes the frequently ignored tenet that refugees should not be forcibly returned to a country where the applicant's life or freedom could be at risk.

Individually, governments should do more to publicise the plight of refugees, set up specialised bodies to deal with applications for asylum, refrain from penalising refugees for illegal entry and provide safe accommodation and adequate subsistence allowances while asylum applications can be considered.

Amnesty also called for an urgent review of funding provisions for the United Nations High Commission for Refugees.

A full report on the refugee crisis will be published in June, a spokesman for Amnesty said yesterday.

Bandits show off British manners

Rupert Cornwell
Washington

Out here in the former colonies, the sound of the Queen's English normally elicits either snobbish fascination or gentle mirth. But not in the opulent Maryland suburbs on Washington's north-western fringe, thanks to a pistol-wielding, black-clad twosome known as the "British bandits".

In the last six weeks, the pair have broken into seven houses. Unlike the proverbial thief in the night, however, they positively seek confrontation, dragging their victims from their slumbers.

Their target, apparently, is cash, not jewels or other valuables. They wear dark clothes and ski-masks, carry guns and their first entry is often through an unlocked garage door. All that police have on them is that they are white men, between 5ft 9in-6ft tall, who talk with British accents.

Their latest strike came at 4am last Tuesday at a sprawling mock-Tudor mansion 10 miles outside Washington, whose occupants were roused and relieved at gunpoint of \$1,000 (£625), one of the bandits' biggest hauls so far. The *modus operandi* does not vary, nor do their good manners. "He was very cultured," an earlier victim told police of one of the burglars. "He could have been a member of the House of Lords for all I know."

So who are these hooded, apparently British, villains, content to steal a few hundred dollars a victim? Modern-day Robin Hoods, some say. Rogue Conservative fundraisers, maintain others, turning a knowing eye to John Major's electoral travails back in the old country.

For Americans especially, their style is incongruous. Here, the epithet "English" summons up visions of duplicitous negotiators and similar manifestations of perfidious Albion. Indeed, "English" is the United States term for the wicked spin an expert pool player gives the cue ball as he executes a devious shot. But burglars who go barging into private homes, rousing gentlemen from their beds? In the USA, old chap, that's not the English way.

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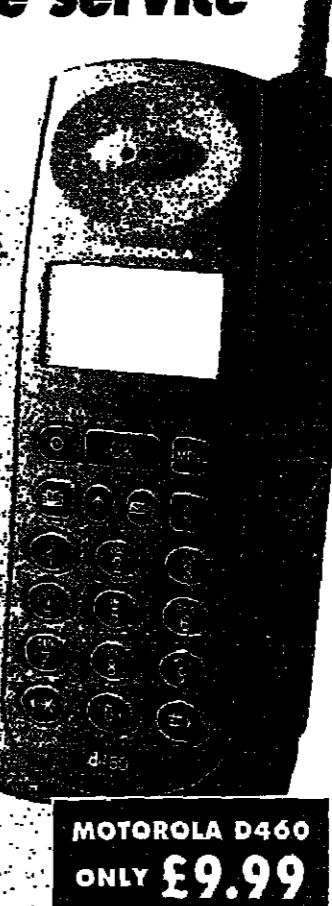
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international

Clinton and Yeltsin face up to Nato challenge

For all their public differences, there is a good chance that the Helsinki summit between Bill Clinton and Boris Yeltsin starting today will bring real progress, even on the potentially explosive issue of Nato enlargement. Not every outstanding problem is likely to be solved, however, and on some points the two presidents may have to fall back on the time-honoured diplomatic formula of "agreement to disagree".

Three subjects are expected to dominate the summit: European security, arms control and efforts to improve the Russian economy.

But it is Nato's determination to expand into central and eastern Europe that is likely to provoke the most emotional exchanges, leaving neither leader fully convinced that the other genuinely understands his position.

For some months, Mr Yeltsin has recognised the inevitability of Nato expansion and has concentrated on securing guarantees that the process will not endanger or isolate Russia.

His latest demand, made last week, is an assurance that Nato will not take in former Soviet republics – specifically, the Baltic states and Ukraine.

Publicly, it will prove difficult for Mr Clinton to accept this demand, since the Balts and Ukrainians would be outraged at any suggestion that the United States was implicitly consigning them to a Russian sphere of influence. Privately, however, Mr Clinton should be able to give Mr Yeltsin some words of comfort.

First, Nato has no immediate plans to incorporate the Baltic states and will have its hands full for years with the business of absorbing the Czech Republic, Hungary and Poland – the three leading candidates

Security, arms and economy to dominate agenda in Helsinki. **Tony Barber** reports

for membership in 1999. Indeed, the US believes that the best scenario for the Baltic States would be inclusion in the first wave of European Union enlargement – although some EU countries beg to differ on that point.

Second, Nato's strategy for Ukraine is not to make it a full member but to establish a special relationship of the kind the alliance is

trying to forge with Russia. There is, as Mr Yeltsin knows, no question of Nato basing nuclear weapons or alliance troops on the territory of new member states, let alone the Baltic republics or Ukraine.

However, Mr Yeltsin may object that Russia believes it won a pledge from the US and Germany that, in return for German unification in 1990, Nato would not expand at all into Eastern Europe.

For that reason, Russia this time wants a legally binding treaty restricting the terms of Nato enlargement.

To convince Mr Yeltsin of his good faith, Mr Clinton is expected to announce support for Russian entry

into important clubs such as the World Trade Organisation and the Organisation for Economic Co-operation & Development (OECD). He may also hold out the prospect of upgraded status for Russia at annual meetings of the G-7 group of leading industrial countries.

In return, however, Mr Yeltsin will have to promise a renewed commitment to economic reform, including the elimination of corruption, the stabilisation of the government budget, and the creation of proper legal (not to mention physical) conditions for foreign investors and businessmen.

The appointment of Anatoly Chubais and Boris Nemtsov to mastermind the latest phase of reform may have reassured Mr Clinton that Russia is back on course after a year of drift. The prospects for progress on nuclear arms control at the summit are uncertain. Mr Yeltsin could promise a new effort to persuade the Russian parliament to ratify the 1993 Start-2 Treaty, which cuts the US and Russian nuclear arsenals by about two-thirds.

But the parliament, dominated by Communists and Nationalists, is in no mood to approve Start-2 as long as Nato insists on expansion. Since the US says that negotiations on a Start-3 Treaty cannot begin until the parliament ratifies Start-2, it is unclear whether much progress can be made in Helsinki.

However, neither leader has an interest in seeing the summit fail. There will be hard bargaining in Helsinki, especially over Nato enlargement, but on balance the summit is likely to warm up US-Russian relations rather than cast them into deep freeze.



Heavenly body: Comet Hale-Bopp gleaming over Mt Fuji in Japan yesterday. Photograph: Reuters



Jean Arthuis: to face formal investigation

French finance chief in party funds scandal

John Lichfield
Paris

The French finance minister, Jean Arthuis, the man responsible for guiding France into the euro, is to be placed under formal investigation for the illegal funding of a political party, according to *Le Canard Enchainé*.

The investigative newspaper reported yesterday that similar legal procedures – one step short of formal charges – will be

brought against the labour and social affairs minister, Jacques Barrot, and two prominent former ministers.

If *Le Canard* is right (which it usually is) the French government's cup of embarrassments may be about to run over into outright scandal and political damage. The piling up of corruption accusations in recent months against leading business and senior and junior politicians of almost all parties

has already created a critical mass of public disgust with the establishment.

Over 500 national or local political and business figures have been convicted, accused or placed under investigation in the last three years for various degrees of financial chicanery, involving political or personal gain. Extremely serious financing charges are pending against the neo-Gaullist RPR party of President Jacques Chirac and

Prime Minister Alain Juppé. The mayor of Paris, Jean Tiberi, and his wife Xavière – close friends and associates of the President – are under investigation for peddling political influence. Several senior Socialist Party figures, including the former treasurer, René Fournier, have been convicted and face further trials for their funding of the party in the 1995 election. Some of the charges flow from the ambivalent rules on

political funding which were tolerated for years but were called into question in the early 1990s, partly by the centre-right for tactical-political reasons which have now backfired against it. Other cases, like that of the former Socialist minister, Michel Rocard, now in jail, involved straightforward corruption and financial enrichment. Either that, or the right-wing National Front – sheltered from investigation by the extreme secrecy and opacity of its own funding – is making political hay of the alleged, endemic corruption.

The case against Mr Arthuis and Mr Barrot involves the chaotic funding of the CDS – the Centre des Démocrates Sociaux – one of the fragments of the centre-right UDF federation, which is now in power with the Gaullists. The party, which has now changed its name to Force Démocrate, has long been celebrated for having almost as many high-profile political leaders as grass-roots supporters. It

is alleged that large sums were paid by big business into a bank account in Switzerland and then transferred back to France for the party's use.

Le Canard says, investigating the case will also issue formal warnings to two former CDS ministers, Bernard Bosson and Pierre Méhaignerie. Irony of ironies, it was Mr Méhaignerie, as justice minister in 1995, who began the investigation into his own party. He is said to have wanted to prove his impartiality and to have been convinced that the inquiries would come to nothing.

He, with the others, now faces preliminary accusations of "improperly receiving company funds" and "trafficking in influence". In other words, it is alleged that the party was being slush-funded by business in the hope of gaining advantage when the party came to power. There is no suggestion at this stage of personal enrichment. However, an audit of the party's finances

in 1992 did find that large sums were passing inexplicably through the CDS accounts.

At the very least, it will be embarrassing for the French government to have its finance and economy minister embroiled in allegations of incompetence and improper funding of a political party. *Le Canard* says that the formal warnings of investigation of the quartet of CDS leaders were due to go out in the next few days but advance warning of its scope caused consternation in political and judicial circles. As a result, the letters of warning may be delayed but will go out, said the newspaper.

Mr Juppé will then face an awkward decision on whether to ask the two senior ministers to resign, pending the outcome of inquiries. This has become the norm in recent years but the Prime Minister's party colleague Mr Tiberi has refused to step down as mayor of Paris during his own legal troubles.

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African king-pin dies at 83

John Lichfield

It would be difficult to believe that Jacques Foccart died a happy man. The policy of deep French engagement in Africa, which he symbolised and operated from the shadows for the last four decades, has never been so threatened as in the week of his death.

Mr Foccart, 83, who died early yesterday, was one of the last survivors of the de Gaulle era. For three presidents, and over 39 years, he ran France's Africa policy, often over the head of prime ministers and foreign ministers. He was until the last few weeks of his life, one of the main links between France and President Mobutu of Zaire.

The fast-approaching collapse of the Mobutu regime, and possibly of Zaire itself, symbolises the defeat of a policy which he created and which the present French government is seeking, rather uncertainly, to replace. During his periods of service for Presidents de Gaulle and Georges Pompidou, and for Prime Minister and then President Jacques Chirac, Mr Foccart never held a senior formal position, other than, briefly, secretary general to the Presidency for African affairs. But, during these periods, any France-assisting event in Francophone Africa would be attributed to the hidden hand of "La Foccart". Occasionally, Mr Foccart emerged from the shadows to deny the unearthly powers attributed to him. "I do not run networks which do not exist with money I don't have from companies which have no being," he said famously in 1982.

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Big Apple's rich pickings leave sour taste for the city's poor

New York is boom city. I know this, because you cannot move for fat wallets on Fifth Avenue, where the likes of Tiffany and Gucci are reporting record takings. I know it because friends cannot afford the tallest apartments, for which rents are halfway to the Moon. And I know it because the more insane the prices are on a restaurant's menu, the less likely you are to get a table.

These Manhattan canyons that I stare down from *The Independent's* mid-town nest are cascading with dollars. The source is Wall Street, where the rise in profits has more or less matched the jaw-dropping trajectory of the stock market.

They keep telling us the economy is getting better, but better for who?

With profits come bonuses. One securities firm boss was reported this week to have taken home \$33m (£20m).

So how to explain the scene that greets me one morning on my walk from Grand Central Station to the office? A queue of people, almost exclusively black and hunched against a bitter wind, is snaking around all sides of two city blocks on the east side of Madison Avenue.

Crushes of this kind—police offer a rough count of 5,000—occasionally occur when a true celebrity is in the neighbourhood. But this is something different. There is no excitement in faces here but rather grimness, even desperation.

It is a queue for work. Its head is at the entrance of the Roosevelt hotel. On its way to being returned to its long-lost splendour, the monolithic Roosevelt reopens next month. On Monday it placed a notice in the

NEW YORK DAYS

city's tabloids advertising jobs, 600 of them. Even the hotel's spokesman, Ted Knighton, confessed to being astonished by the queue that started forming at 3am. "I expected a big turnout, but nothing like this." Take away the worn trainers and the over-stuffed padded and it might have been one of those snapshots from the Depression.

Frank Brunson, 50, from Brooklyn, arrived at 7am and was told to go home by 11am. Laid off last month from his job as a security officer, he is surprised by nothing. "Every time it is like this. You get to the front and they say come back tomorrow. To me, 30 years ago it was quite different. You could get jobs. Now, I don't know what's happened. Just too many people in this town, I guess."

See how it really is in New York. Not good. Not boom city. For most, those like Mr Brunson who do not have bonus-paying jobs and do not have loft addresses in the hippest corners of Soho and Tribeca, the struggle goes on and is apparently getting worse.

Last year New York City reported 9.9 per cent unemployment, much higher than the national rate of 5.2 per cent and one of the highest city rates.

Underlying this is a new economic disjunction that is special to New York. It used to be that the city's wider economy rose and fell as Wall Street did. Bad times on the stock market would quickly cast a pall over the whole of New York. But when good times returned and Wall Street celebrated, it was never long before all the five boroughs joined the party.

It was a relationship most vividly demonstrated by rates of growth in personal income. In previous Wall Street booms, the rate for the whole of New York City would consistently outpace that of the nation, while in bust periods New York growth rates would lag.

Statistics for 1989-1995 show how the formula has been shattered.



Share toppers: Traders on the New York Stock Exchange, which is booming, though the trickle-down effect appears to be very widespread

Photograph: AP

was 3.8 per cent. What happened? There are various explanations. Much of that bonus money, for example, does not get spent in New York but in the suburbs of Connecticut and New Jersey. And in Aspen, Colorado. Some even argue that, in spite of the hordes not employed on Wall Street and in the

BMW showrooms, the big-swinging-dicks of the 1990s are not into spending in the way of their 1980s predecessors.

More important, however, is the changing nature of the securities workforce. In 1987 Wall Street employed 163,000 people, compared with 150,000 today. But in addition to that,

those jobs are now almost exclusively white-collar. The legions of lower-earning clerical workers who used to keep the brokerage houses from drowning beneath paper have been supplanted by computers.

Another sector of the New York economy experiencing a boom of its own is the tourist

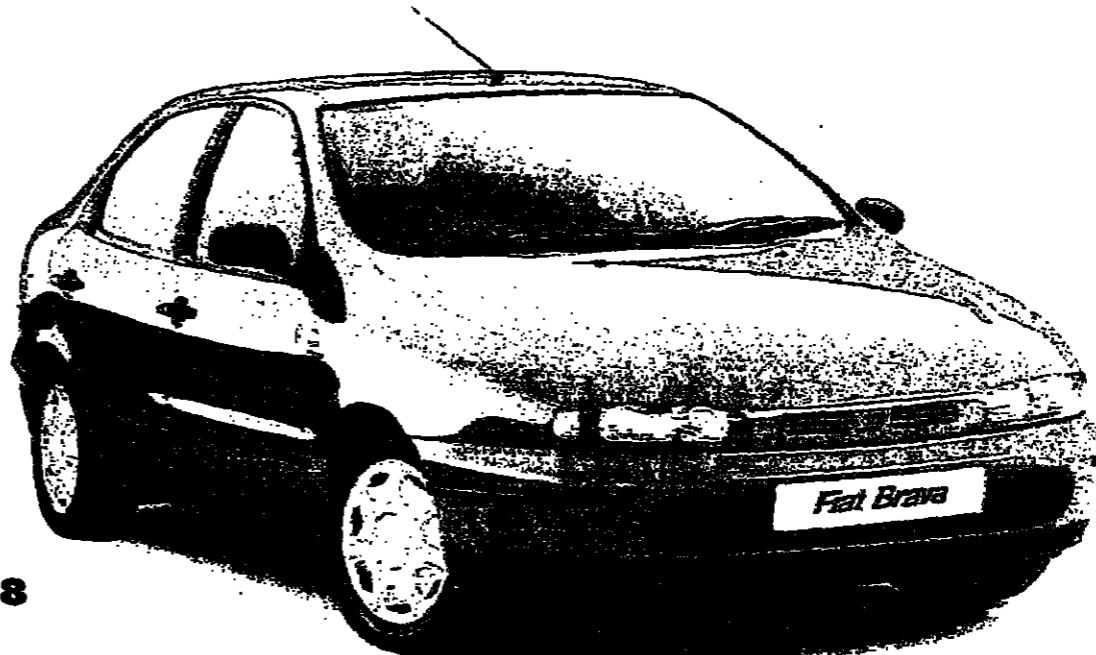
richer, while more people get poorer. "They keep telling us the economy is getting better but better for who?" asked Florrentina Melchor, also from Brooklyn, and unemployed. "For most of us it is just getting more difficult."

David Usborne

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Mr Major's vote-chasing boom too far

Britain is booming – it's official. The Prime Minister said so today. "But not in an unreasonable way," he was quick to add. There's an interesting thought: it's a reasonable, manicured, well-behaved sort of boom that just happens, wholly coincidentally, to come immediately before an election. A modest boom. A John-and-Ken sort of boom – a boom that should not be compared to the wicked booms in days of old.

We are not wholly convinced. Yet Mr Major and Mr Clarke have a difficult balance to strike. On the one hand sceptical voters need convincing that they are right to claim things are looking up. While Mr Major proclaims Britain's economy to be the envy of Europe, Mr Blair whispers in voters' ears that, on the contrary, we are slithering down the international league table fast.

But at the same time, the Prime Minister can't talk booming Britain up too far. The ghosts of serious economists, central bankers and voters with long memories are flapping around him, warning that the boom-bust machine has been stoked up for electoral purposes before. So what is the truth? In fact, that boom the Prime Minister is so proud of is a worrying prospect. Vote-chasing is damaging the Government's management of the economy once more. Had there been no election, we believe interest rates would now be higher.

But peering beyond the immediate

debate about interest rates and tax levels, the Conservatives should be accorded credit for their economic reforms of the past two decades. Labour is right that fundamental weaknesses remain; nevertheless in many ways the Conservatives have substantially improved the way Britain does business. They have deregulated markets that were over-regulated and traditionalist, reformed the labour market, embraced the free-trade global economy and privatised once-staggering state Leviathans.

As a result, according to the Conservatives, the economy is in its best state since bread was first sliced: inflation is low, jobs growth is high, taxes are falling and our long, slow, relative economic decline has been reversed. The boom-bust cycle, they maintain, has been replaced by steady, sensible economic management.

This confidence is premature. We heard something similar in the late Eighties. Now we need only listen to the Bank of England. Yesterday it emerged that the Governor, Eddie George, told Ken Clarke last month that demand was rising at an unsustainable rate; interest rates should go up immediately. But the Chancellor refused to budge. Wages suddenly shot up with the sharpest acceleration since the Seventies. House prices are spiralling – especially in the South-east. These are troubling signs that we do indeed face the familiar pre-election boom that we could pay for later on.

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To be fair to Mr Clarke, he hasn't strayed too far from the mainstream of economic opinion. He has been a success at No 11. The trouble is that the mainstream, as always, has been broad, and Mr Clarke's economic fellow-travellers look as though they may have been wrong. Consummate politician as always, the Chancellor has simply pushed things as far as he could credibly get away with, at least before the election. It now looks as though he is pushing just that little bit too far. As a result, we may be about to lose our historic opportunity to change attitudes to inflation once and for all.

Rates should go up. Better still, taxes

should go up – that would subdue consumer demand, and fill an overly large hole in the public finances too. What a shame neither Labour nor the Conservatives have the guts to argue for this as part of a platform of economic prudence and responsibility. Best of all, they should introduce that tax increase by abolishing mortgage tax relief, thereby calming the housing market that has such a terrible tendency to exaggerate the swings in consumer demand.

The British Tory legacy is patchy, and requires that kind of toughness to preserve it. True, many of the Conservative economic reforms, opposed by Labour

and now vindicated, have yet to take place across the Channel and to that extent we are indeed "the envy" (Michael Heseltine) of reforming Continental economists. But to claim we are zooming ahead of our partners, that we are in clover while they stagger through the nettles, is taking things too far.

For a start, Britain is booming because we came out of recession earlier than our colleagues. And we achieved that because we devalued against Germany, just as the Germans were starting to face up to the burden of unification. Moreover, Labour has an extremely powerful point, when it argues that one persistent weakness in the British economy remains: low skills.

Why have wages suddenly picked up, despite the fact that so many people are still out of work? Because those in work can afford to push their earnings upwards, knowing that the unemployed don't have the skills or qualifications to usurp their positions. Why are some people stuck out of work for years at a time, or trapped into cycles of low-paid temporary work and spells on the dole, while new jobs are being created all the time? In part, because those at the bottom of the heap are too poorly educated to compete and climb the ladder.

Mr Major wants voters to reward his party for those improvements it has achieved, and to trust him to deliver the reforms needed in future. So he should be calming the boom, not pretending

that this time it is house-trained. But we are not surprised at his relaxed view. His real worry must be that voters will cheerfully take the positive legacy of Conservative government for granted, and seek someone else to handle the problems the Tories failed to solve.

A question for the fee-payers

Is a school with high-ability children that gets good exam results necessarily better than one with below-average-ability children which gets medium results? No: in the latter the head and teachers may actually be more effective educators. In their inspections of state schools, Chris Woodhead and his colleagues from the Office of Standards in Education have shown themselves resistant to the idea that schools are best assessed according to that kind of "value added". But now, having inspected the teams that monitor private schools, Ofsted seems to have changed its tune. Some private schools ought to be doing a lot better – given the quality of the children they recruit. Paying parents may be happy enough but they ought to be aware that some of the schools they support are merely coasting.

LETTERS TO THE EDITOR

Our national wealth was squandered

Sir: There is a simple question to put to the Conservative Party before the election: where has all the money gone?

No government has had more income than the Conservatives in the past 18 years: revenues from North Sea oil; proceeds of sales of national assets; indirect taxes increased more than any reduction in direct taxes; an alarming increase in the national debt. All this during a period when cuts in expenditure are a government boast.

So where has all the money gone? They claim to be the party of thrift and careful husbandry of public finances. In reality they have squandered our national wealth on the costs of the unemployment and social dislocation created by their policies, wasting a unique opportunity to rebuild public services and to invest for the future.

All this in pursuit of a simplistic theory of economics which failed despite enthusiastic application in the most favourable circumstances. Let Thatcherite monetarism be consigned to the wilderness with Marxism, fascism, and all the other isms which have caused such distress in this century, and let its proponents be removed from any further conduct of the nation's affairs.

ALAN KINSELL
Leamington Spa, Warwickshire

Sir: There must be quite a lot of Labour MPs feeling uneasy with the support of *The Sun* and its proprietor, Rupert Murdoch. The party of the people is now indistinguishable from the Conservative Party.

Regardless of whether Mr Major wins on 1 May, the truth is that the Conservatives have so profoundly altered political expectation in this country, to such an extent that anything other than free-market capitalism is considered suspiciously socialist, that who occupies No 10 makes not a blind bit of difference.

No choice masquerading as free choice: no wonder Mr Murdoch is smiling.

DAVID JAMES
Oxford

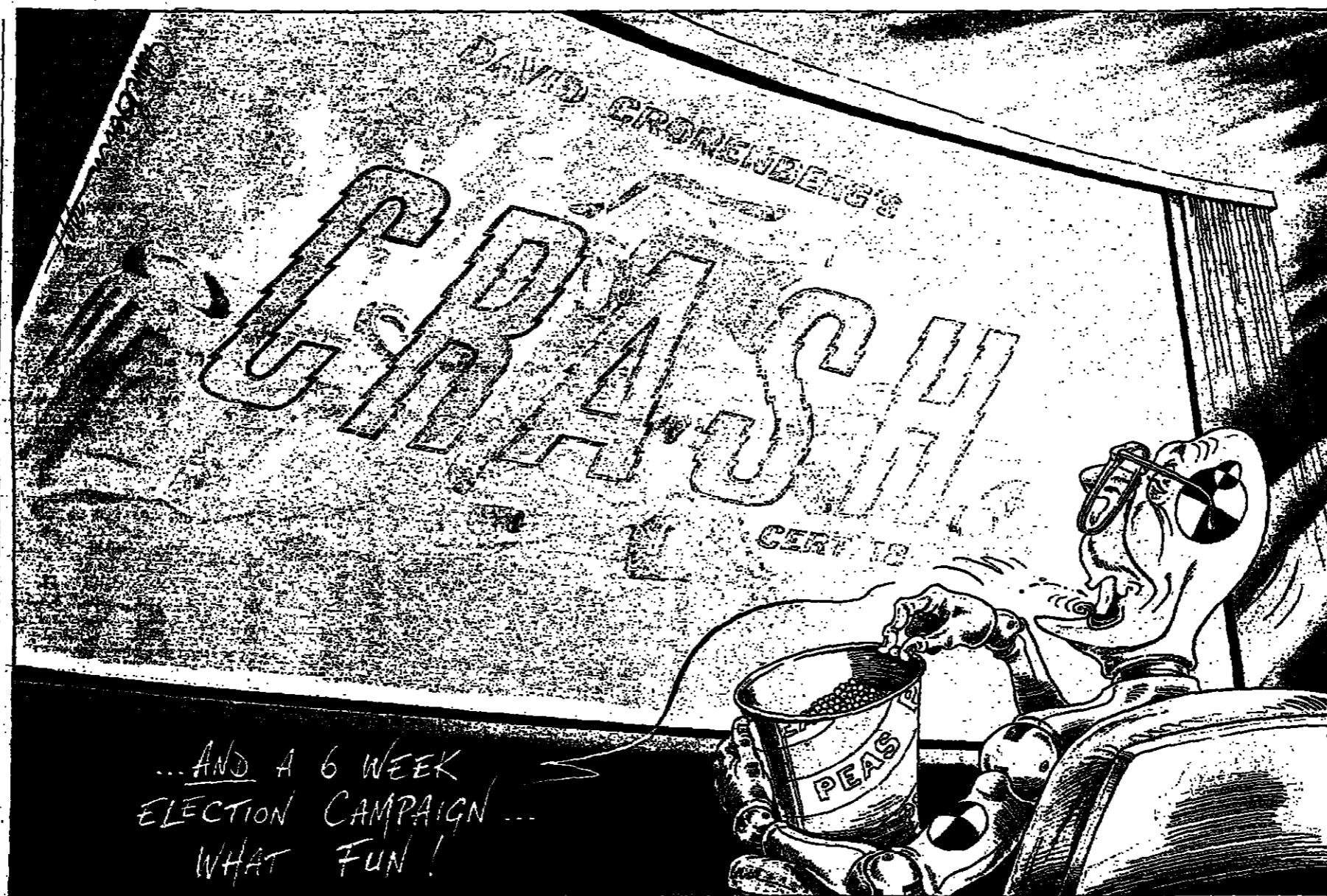
Sir: I have never before voted in Britain. As an expatriate American I felt I hadn't the moral right, though I have had the legal right, for many years.

So I stood by and watched while the Conservatives brought fresh ideas and much-needed reforms during the Eighties. The ideas ran out and the reforms went too far, and still I watched. Over the years the Tories presided over an endless series of national fiascos, and I stood by in mounting disbelief that the people of Britain could accept such misgovernment.

The "New Labour, New Danger" campaign was the final straw, a desperate move by a party which had become corrupt and directionless. I immediately went out and registered to vote. On 1 May I will vote Labour.

ROLF WALTER LUCHS
Finchamp, Grampian

Sir: What Pascal Smart and millions like him obviously have not considered by refusing to vote ("I'll not vote – it won't change a thing", 18 March) is that they can register their feelings of having no faith in any of the parties in a simple manner: the spoilt ballot



Virgin welcomes babies on trains

Sir: The Virgin West Coast policy is very simple – we welcome all customers and hope that they will respect the needs and sensitivities of other travellers (letter, 19 March).

Any mother wishing to breastfeed her child is welcome to do so, but it would be helpful to check that those around her are comfortable with this.

We hope that anyone disturbed or embarrassed would move, but our senior conductors on the trains will help if necessary – and they all know this.

We look forward to Mrs Johnson's next trip and hope that she and her baby enjoy their journey with us.

IVOR WARBURTON
Managing Director
West Coast Trains Limited
Birmingham

Sir: A train conductor threatened to throw a breast-feeding woman off a train because she was "upsetting passengers" (letter, 19 March).

Does that mean that if I complain about loud-voiced mobile-phone users they will get the same treatment?

ALEX GALLOWAY
London SE6

MEPs didn't ask for new 'palace'

Sir: Sarah Helm's article about MEPs was welcome, if only to show that the waste of building two new parliaments was not the fault of the MEPs ("What could this building in Strasbourg be? Another pleasure palace for our MEPs", 19 March).

In fact the European Parliament has never said it wanted the new Strasbourg building.

Some of us succeeded in getting the Court of Auditors to rule that the contract should never have been signed. Yet the silence of the member states on this issue is deafening.

The cost of this three-ring circus (Brussels, Luxembourg, Strasbourg) is about £1.25m per year. By meeting solely in Brussels, the new building there could soon be paid for by the savings made from the monthly trek to Strasbourg.

If the parliament can see this, why don't the member states?

Sarah Helm gave the answer.
TERRY WYNNE MEP
(Merseyside East & Wigan, Lab)
St Helens, Merseyside

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Bill and Boris sup in Helsinki

Today and tomorrow, the presidents of Russia and the United States meet to confront their countries', and their own, problems. We look at what they hope to get from each other

BORIS YELTSIN

by Phil Reeves, Moscow Correspondent

Politics aside, Bill Clinton has always had a soft spot for Boris Yeltsin. But the gift that he has unwittingly handed his Russian counterpart before the Helsinki summit goes beyond the usual boundaries of generosity. And Mr Yeltsin is clearly pleased.

He, Boris, not Bill, was supposed to be the invalid, the ailing leader who could barely walk. He was the one whom we all felt sure was doomed by ill-health to leave office soon, ending a political odyssey that has embraced the collapse of the Soviet Union, economic reforms, a slump comparable with America's Great Depression, the bombardment of parliament, and a hugely costly war. And yet the lame one will be the accident-prone Bill Clinton, nursing a leg injured outside the golfer Greg Norman's house in Florida. If all goes smoothly, Mr Yeltsin will have once again proved not only to have astounding powers of recovery, but staggeringly good fortune.

He needs it. He will arrive in Helsinki today looking much like an ageing boxer who is fighting out of his class, and is therefore reduced to weigh-in vaunts. The main issue at hand, Nato enlargement, concerns no less momentous a theme than the security of Europe in the next century, yet the advantage clearly lies with his opponent. So much so that Andrei Kozyrev, his former foreign secretary, has suggested that the summit is a mistake.

"What kind of diplomacy is it that makes our president go to the worst possible meeting with a US president after six years of Russia's new existence?" he asked Echo Moskva radio station. "Now Yeltsin has either to retreat before the enemy or enter a new tough round of confrontation."

Mr Yeltsin's last meeting with Mr Clinton was nearly a year ago, last April, when the G7 convened in Moscow. How times have changed. The conflict in Chechnya was still raging, despite Mr Yeltsin's insistence to the contrary. The Communists were riding high after securing 23 per cent in December's parliamentary election, and there was real concern – even among the cooler heads of western diplomats – that their leader, Gennady Zyuganov, would win the presidential election.

But time and again, Mr Yeltsin has proved it is dangerous to underestimate him. His flair for campaigning, the might and money of his election machine, and his capacity for "realpolitik" came to the rescue. He lavished wild promises on the electorate, squeezed Mr Zyuganov off the airwaves, and successfully wooed the support of a fellow candidate, the popular ex-paratrooper Alexander Lebed – who brought with him a healthy number of votes. Mr Yeltsin even managed to wind down and later end the Chechen war.

All this won him back his place in the Kremlin, but precious little else. Even before July's final round, he was crippled by hushed-up heart

problems, beginning a period of absenteeism that has consumed a fifth of his four-year second term. Unstable and bewildered, the country was quietly run from behind the scenes by his then chief-of-staff, Anatoly Chubais, advised by the president's daughter, Tatjana, and a small group of business moguls.

Eight months on, the picture looks no better. This week's cabinet reshuffle, which has given a starring role to two young warriors of free market reforms, Mr Chubais and Boris Nemtsov, the 37-year-old governor of Nizhny Novgorod, has delighted the West – and particularly Mr Clinton. "It is a very positive sign," said US State Department's Nick Burns. "We are very anxious to work with that team."

But this enthusiasm is not shared by many Russians. The country is engulfed by deep disillusion, fostered by a welter of crises – from corruption reaching to the pinnacle of government, a collapsing welfare system and growing unemployment, to an army that is falling apart. Although inflation appears under control, consumer prices have risen by 1,700 times in the past five years, demolishing the life savings of most Russians. An epidemic of tax evasion has forced the government to slash back spending, stoking up vast wage and pension arrears. This hostile environment has prompted many to conclude that politics is nothing more than a dangerous contest between former Communist apparatchiki and mighty industrial and financial interests over the spoils of a wrecked land.

So the events of the next two days are crucial. Mr Yeltsin needs a public relations success to ease domestic tensions, and to prove to Russia that it is still a powerful player on the world stage.

This will not be easy. No one expects a final settlement over Nato, although there may be some progress. Whatever deal eventually emerges, there will be few cheers in Russia; it remains as unshakably opposed to the alliance's enlargement as the West is to forging ahead.

He may be able to notch up some modest gains elsewhere – movement over Russia's ambition to join the G7 and the World Trade Organisation, progress with the Conventional Forces in Europe Treaty and promises of US investment in return for a Russian pledge to create a more secure business environment. For the cameras, there will be some silver-tongued assurances from Bill, and some growling from Boris.

Mr Yeltsin is a great performer. The world will never forget how he climbed on to a tank to face down plotters in the abortive coup of 1991. He has a record for making astonishing come-backs – ranging from his return after being purged from the Soviet politburo in 1989 to his victory last year. But he will need all his Houdini-esque skills if he is to walk away from Helsinki without looking as lame as his American opponent.

• Yeltsin will arrive looking much like an ageing boxer fighting out of his class



BILL CLINTON

by Rupert Cormwell, Washington Correspondent

Be not fooled by appearances. Thanks to that mishap chez Greg Norman on a moonless night in Florida last week, the most powerful man in the world will be rolling into Helsinki today in a wheelchair. Bill Clinton is eager to remind his countrymen that his function in life is not confined to exchanging presidential access for financial donations to his party, and the summit with Boris Yeltsin offers the perfect opportunity.

In the case of re-elected American presidents, foreign travel is traditionally the refuge of the scoundrel. As Watergate moved towards its climax, Richard Nixon sought solace with Anwar Sadat and Leonid Brezhnev. Ronald Reagan's most effective answer to Iran-Contra was three summits with Mikhail Gorbachev. The great Democratic fund-raising rumpus has not yet reached such critical proportions but, even by its own dyspeptic standards, the political mood in Washington is peculiarly rancid.

Mr Clinton is only two months into his second term; but already the prospects for the balanced budget deal that was to have been its capstone may have been fatally poisoned, while the campaign finance dispute has claimed the head of Tony Lake, nominated to head the CIA until he threw in the towel in disgust on Monday, proclaiming that his turbulent confirmation process was proof of how the system "has gone haywire". In short, foul-tempered partisanship reigns and at least one hyperventilating Republican congressman has been muttering about impeachment.

Beyond that, little of substance is happening here. The divided government bequeathed by the 1996 election, the allegations against the White House and the semi-disgrace of Newt Gingrich have left both Democrats and Republicans adrift. The vacuum of policy is being filled by the fundraising row and *ad hominem* personal attacks. Great wheels of government like the FBI and the Commerce Department, caught up in the crossfire of allegations, are scarcely turning, while key ambassadorial appointments have been stalled by sensitivity over campaign contributions. Mr Clinton confines his policy initiatives to such momentous topics as safe car seats for children. Even so, the fuss has had scant impact on his popularity; indeed the torn tendon may garner a few rating points from the sympathy vote.

But that may change when hearings open on Capitol Hill and Fred Thompson, the meddaging Republican senator from Tennessee who chairs the Governmental Affairs Committee, bids to be the Nineties equivalent of the Watergate inquisitor, Senator Sam Ervin. And who knows, there might yet be another tale of the tapes, and another Alexander Butterfield on the witness stand, to destroy a White House. In truth, only the most rabid Clinton-haters quite believe that. Even so, small wonder that a

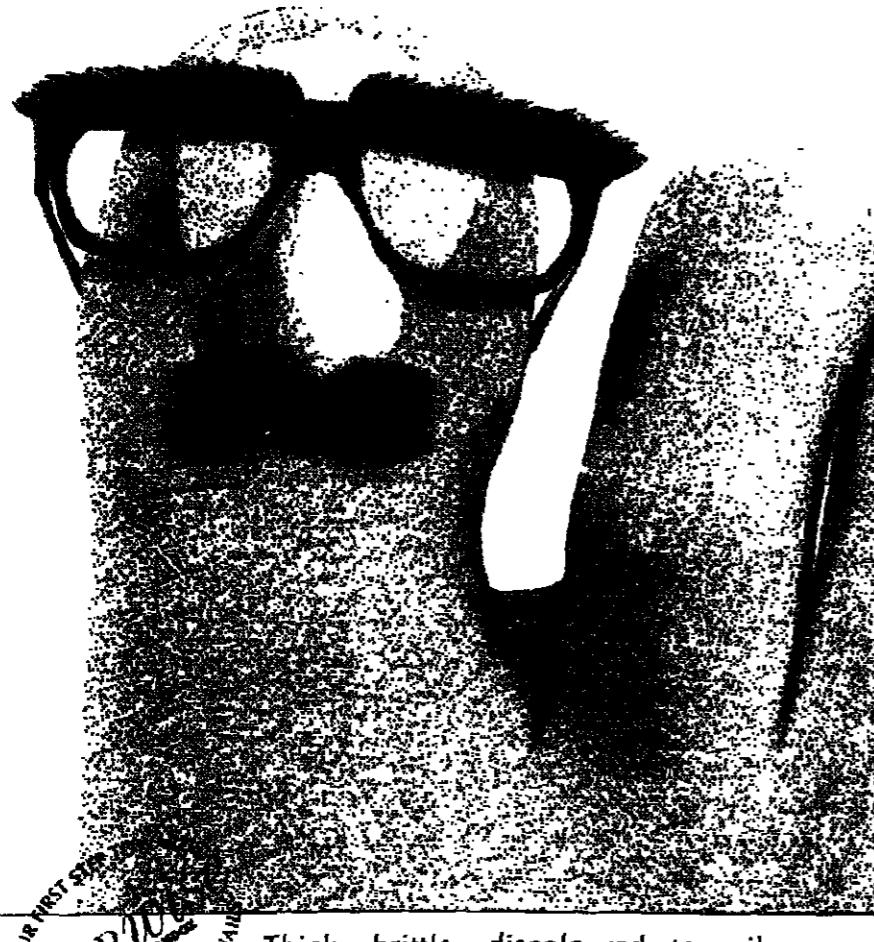
• There is nothing like a summit to display the power of the presidency

did this week's performance here of Yevgeny Primakov, the Russian foreign minister, whose foxy stonewalling recalled Andrei Gromyko in his prime.

Today, of course, the balance of power has tilted lopsidedly towards the US. Like it or not, Moscow knows that Nato expansion will go ahead and Mr Clinton will make clear to the Russians that this year's first batch of entrants will not be the last. Any doubts on that score should be dispelled by the presence at Mr Clinton's side of a Secretary of State who was twice a refugee from tyranny in Eastern Europe. Beyond his recent bluster, Mr Yeltsin's strategy can only be to secure the best deal possible, rather than attempt to stop an enterprise which is irreversible.

To that end, Mr Clinton may prove a surprisingly supple partner. Once he was criticised as being uninterested and unskilled in foreign affairs. But after early mishaps in Somalia, Haiti, and Bosnia, he has performed well. In different ways, America's involvement in Ireland and its brokering of a Bosnian settlement show his growing appreciation of the use of US power. This time the game is trickier; one of imposing his will, without humiliating a Boris Yeltsin who, whatever his frailties, remains Washington's preferred horse in the pursuit of a stable Russia, at peace with not only the world but itself. Helsinki may only be a waystage to this end – but Americans will be reminded that their president is not money-raiser-in-chief, but commander-in-chief.

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What's in a name? Humiliation, that's what

This column is guaranteed to be an election-free zone. If any customer can find a trace of contamination by election back, he will get his money back. Thank you.

Three or four months back I wrote a piece about names which could be confused sexually – names like Evelyn, Robin and so on. This was prompted by my belief that the American poet Joyce Kilmer was a woman, which caused many a correspondent to beat me about the head with the news that he was a man. (One person confused me by writing in to say, "You'll be telling us next that Val Kilmer is a man!")

Nevertheless I still stick to the line I took then, that people who were given sexually ambiguous names could not complain if their gender was occasionally mistaken – indeed, there were other names which I could have mentioned in this connection. Pat is one. Pat is short for Patricia but it is also short for Patrick, so a Pat can be a man or a woman. I had a distant cousin once, a distinguished jazz pianist called Pat Smythe.

and he suffered from the fact that there was an even more famous woman show jumper called Pat Smythe. What made it all more ironic was that because she was called Pat Smythe (rhyming with "write") he, too, was called Pat Smythe although his mother, I think, had always pronounced her surname "Smith", which is the really smart way of pronouncing Smythe. His mother, by the way, had the wonderfully rare name of Ysenna, which is a name that never could be mistaken for a man's.

Hilary is another name given to both men and women. Of the two Hilarys I have met in public life, Hilary Rubinstein is a distinguished literary agent and editor of the *Good Hotel Guide*, while Hilary Strong is the distinguished director of the Edinburgh Fringe. One is a man and one is a woman. The late Ruby Murray was a woman, while the ever-youthful jazz comet Ruby Braff is a man. (I would guess that, in his case, Ruby is short for Patricia, as he is also short for Reuben, as was the case with Ruby Bloom.) Shirley was another name I

mentioned as being bisexual, but after I wrote the last article, Geoff Louthope wrote to me from Leeds to say this: "You omitted to mention the best-known (up here) Shirley of all, namely Shirley Crabb from Halifax, former Rugby League player and all-in wrestler, known in the ring as 'Big Daddy'! His story is that he became a rugby player and wrestler in order to combat the jibes and insults he received as the result of his unusual name..."

This is no laughing matter. I received another letter from

a man called Shirley – admittedly it was only his second name – which had caused him considerable embarrassment in his youth and which he had spent many years not admitting to, "as I was gazzumped by Shirley Temple half a year or two later, so no schoolboy could possibly reveal a name like Shirley".

But most poignant of all is the letter from a man who had been given the name Kay. Nowadays Kay, if used at all, is thought to be female, in the wake of stars like Kay Kendall. But when he was christened in 1924, Kay was indubitably a male name. Hans Andersen's Kay and Gerta were boy and girl. The childhood companion of King Arthur was Prince Kay. "So I had a perfectly respectable and proper first name of Kay. But no sooner had I got it and become properly used to it than some woman whose proper first name was Catherine or Katherine or some such, decided to play the piano for the BBC. The BBC – then an infant and knowing no better – allowed her to become known as 'Kay on the Keys'. So my name was stolen and lost for ever."

The letter goes on to relate how he suffered such humiliations as being put in the female wards of hospitals before giving in and changing his name to Martin. I felt for him. My father used to call me "Kay" too, though it was only short for Kingston. It was almost as if he were apologising for giving me the name Kingston, which is infallibly turned into the more common Kingston. Even the *Radio Times* gets it wrong. Look at today's Radio 2 listings and you will see me at 7 pm listed as "Miles Kingston"!

A reader writes: "Just a moment just a moment! Have you engineered this entire article just to drop in the misspelling of your name by the *Radio Times*?"

It's not just me. They spell Kevin Kline as Kevin Kline the other day...

Answer me! Is this whole article just to humiliate the *Radio Times* for calling you Kingston?

Yes. Thank you.

Well, at least I didn't mention the election...

This election-free zone will be back tomorrow.



Miles Kingston

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Howard's dismal legacy – Straw's great opportunity

The governor of Armley prison, Leeds, surveys the wreckage of any kind of policy of rehabilitation in jail with growing despair. Prison numbers nationally are at their highest ever – up nearly 20,000 since Michael Howard took over as Home Secretary, and rising by around 300 a month. To cope, we have even bought a prison ship from America. And, almost certainly, during the election campaign prisoners will spill over into police cells, which the Government swore would never happen again.

Yesterday, Howard's final act of vandalism, the Crime (Sentencing) Bill, was nodded through the Commons, with a Lib Dem/Labour amendment that only slightly softens its disastrous impact.

Armley, like all the other jails, says Governor Raoul Daly, is full beyond bursting, with all single cells doubled up. "Prison running costs have been cut to pay for the prison building programme," he says.

His staff has been cut (1,300 officers cut nationally in the last year), the therapeutic groups have been cut, education is cut (available to only a third of those who need it). The very idea of useful, purposeful, improving activity has died in our jails. The prison workshop is mainly closed now because officers spend all their time bussing overflowing prisoners to spare places in Wormwood Scrubs and the South.

That, says Daly, is a calamity. In faraway jails, prisoners lose touch with their family, work and the outside world. The probation service, which helps to preserve home links, is being cut nationally by 29 per cent, although those who leave prison without family ties are six times more likely to reoffend. Watching, appalled, the passage of the Crime Bill, Daly says, in the argot of his trade, "I'm not Strangeways shroud-waving, but in some jail somewhere there will be a last straw soon."

To remind you: the Bill imposes automatic life sentences on second-time violent and sex offenders, a maximum seven years for third-time Class A drug dealers, and three years for third-time domestic burglars. The Lib Dem/Labour amendment allows judges to vary it for drug dealers and burglars in special cases. It in effect ends early release, instructing judges to give precisely the sentence they expect prisoners to serve.

What effect will it have on the exploding prison population? The Government asserts that it will add 11,000 more. All the professionals in the field, the prison governors and the Penal Affairs Consortium (the umbrella for all the reforming groups) regard that as a ludicrous under-estimate. They reckon it will be around 24,000 more prisoners. Richard Tilt, head of the Prison Service, has said 25 new prisons will be needed over the next 12 years.

What a dismal legacy Jack Straw will inherit. What will he do? Well, he does not have to implement most of the Bill at all. It can simply sit and rot on the shelf, most of its clauses superseded by a new and better Criminal Justice Bill of his own. This will be devoted to what really matters – reducing crime and getting the best value out of the vast sums spent on it. £10m a year goes on police, courts and prisons. How? By careful study of research and trusting in the best scientific evidence, wilfully ignored by Howard. Evidence-based medicine is the name of the game in the NHS. Now we need evidence-based crime and sentencing policy, treating it clinically, forensically.

Straw will have more chance to do great

good than any other incoming minister. He will be virtually the only one not handcuffed to a desperately inadequate budget. Why? Because if he were to reduce prison numbers to the level reached by Douglas Hurd's reforms, immediately before Michael Howard took over, he could save a cascade of cash. Returning to the Hurd levels (hardly days of wild, dangerous liberalism), Straw would save some £480m a year, every year. That is what Howard's extra 20,000 prisoners cost.

Now imagine the preventive programmes he could buy with that – the hopeless families helped while their children are still small, the lost and wild children caught early with special help and education, family centres, after-school and youth schemes on disaster estates, young offenders taken in hand constructively straight after their first crime, prison regimes designed to educate, train and treat. The best probation schemes can stop reoffending by up to 50 per cent more than prison sentences.

There is good evidence about what works: anger-management, challenging offending behaviour, education, drug and alcohol projects, teaching people to think about their actions – soft stuff maybe, but effective. Take a prison programme monitored closely for 14 years in Massachusetts – it reduced reoffending by an astounding two-thirds. It gave prison governors discretion over releasing people, and control over budgets so they could choose to save on budget and spend on letting prisoners out early with extra probation support, setting them up in projects and work, back home in the community, only letting go of them once they were safely settled. This intensive care and treatment cost no more, because offenders spent less time in prison. Contrast that with the current insanity in the UK of cutting the probation service (which works) by 29 per cent and building 25 more prisons (which don't).

So how could Jack Straw do it? This is the really difficult part, for it cannot be done quietly, by slight of hand. In other departments, ministers can say one thing and do another – talk tough, act soft; talk general while acting mean. But the Home Secretary speaks in public with the voice of the law. Judges and magistrates tune their sentencing policy finely to his words.

Howard had not introduced any draconian sentencing laws until yesterday; the prison population simply rose at his bidding. By shouting "Prison works!", by stirring up the tabloids, by extorting the judiciary directly, he changed the penal climate, and the judges responded. They did the same when Hurd called for them to keep petty offenders out of prison. Now they will be waiting to draw their cue from Jack Straw. What he says in public they will obey. He cannot talk tough and do good by stealth. His words will be his most important actions.

So, with an avalanche of an election victory behind him, will Straw dare to brave the wrath of the law-and-order lobby? He has courted so assiduously. Well, why not? What is the point of the most stupendous electoral landslide if not to do what you want at last?

I suspect that the post-election Straw will speak in very different tones to those we shall hear during the campaign. After all, if he uses the right words and sentiments, publicly urging the judges to adopt a wiser, evidence-based sentencing policy, those words will turn into pure gold pouring into his departmental coffers.

John Toynbee

Commentator of the Year

The jails are full to bursting, but with a sensible penal policy, Jack Straw could divert millions into crime prevention

their prison budget and spend on letting prisoners out early with extra probation support, setting them up in projects and work, back home in the community, only letting go of them once they were safely settled. This intensive care and treatment cost no more, because offenders spent less time in prison. Contrast that with the current insanity in the UK of cutting the probation service (which works) by 29 per cent and building 25 more prisons (which don't).

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Mad Frankie Fraser: an expert in blagging, fronting up, grassing, totalling, and removing teeth

Two generations of villains regarded each other across a Dublin restaurant last week. Representing the East End of London was Francis "Mad Frankie" Fraser, former hatchetman of the Kray and Charlie Richardson and a legendary figure in the arts of persuasion. These days, he has a travelling roadshow in which he explains to delighted audiences the niceties of blagging, fronting up, grassing, totalling (and Fraser's own refinement) extracting the teeth of ill-favoured associates with gold-plated pliers. He has been over in Ireland, appearing on *The Late Late Show* and putting himself across as a bit of a rough diamond. After one such show he was dining in a swish restaurant called the Courtyard with his girlfriend, Marilyn, and others. A friend of mine was at a nearby table with an elderly gent called Sean, an IRA man of the old school and the last surviving member of Michael Collins's "intelligence squad" who routinely gunned down the Black and Tan during the war of independence. At 96, he is an unashamed ex-guerrilla who was pleased as punch to see himself impersonated on screen in Neil Jordan's recent film about his former boss.

The aged Sean could not take his eyes off Mad Frankie, with his triumph-of-the-embalmer's-art complexion and his dubiously blackened hair. "Who's yer man?" he asked my friend, and sat nodding sagely through a recital of the Fraser curriculum vitae: the 40 years in prison, the deaths, the gangsters, the certificates of insanity, the incarceration in Broadmoor, the lot. With the high-mindedness that characterises a lot of terrorists, Sean tut-tutted about Mr Fraser's bad-boy record. He had, he said, the strongest objection to criminals (as opposed to "freedom fighters"). "In fact," he said, narrowing his eyes, "I'd drop him, no problem, if I had me Luger with me now." And the former hard man of London gangland was more than a little surprised to see a wizened Irish nonagenarian at the next table point a spindly finger at him and go "Bang!"

Having devoted myself to a life of ceaseless work and charitable endeavour, interrupted only

150 من الأصل



'I'd drop him now, no problem, if I had me Luger with me,' said Sean, eyeing Mad Frankie across the restaurant

john walsh

rail union was, quite properly, appalled. "Sick and uncaring" was how Adams described the rail company.

Then Mr Dave Sergeant came on to explain for Great Eastern Railways. It wasn't our fault, he said. We couldn't just close down the line. That would mean fouling up all the services and inconveniencing customers. The customers expect the trains to run on time, you see ...

You could hear the collective jaw of the nation drop open with a thud. Had this guy any sense of the human body as anything more than a business unit?

What is, of course, obvious is the mendacity of Great Eastern's position. They are at the mercy of the "penalty regime" that came in with privatisation – stipulating that if services fail to run on time, the company under contract must pay a penalty. It is an extension of the "passenger's charter", and its heart is in the right place. But to elevate the importance of the timetable or the financial penalty above the last corporeal presence of one of those very passengers is to take the "charter" insanely literally.

One more thing. When they found the woman's body, it wasn't conveniently lying between the sleepers. Her mangled remains were hanging over the track. Some helpful railwayman had to move them into the middle and cover them up before the first of the 20 trains arrived to hurtle over her demolished form.

Could we get him on telly, perhaps, to explain the need for Customer Throughput Efficiency Maintenance, or whatever they call it at Ghoulish Eastern Railways?

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business & city

Business news desk: tel 0171-293 2636 fax 0171-293 2098
BUSINESS & CITY EDITOR: JEREMY WARNER

New figures show numbers out of work sharply lower, a big rise in employment in service industries and strong high street sales

Rapid rise in earnings rocks financial markets

Diane Coyle
Economics Editor

Evidence that the economic recovery is unleashing wage pressures jolted the financial markets yesterday. Gilt yields fell sharply as investors concluded that higher interest rates after the election looked a racing certainty.

A new batch of figures showing unemployment sharply lower, a big rise in employment in the service industries stronger-than-expected high street sales and rising pay inflation coincided with the publication of minutes showing that Eddie George, Governor of the Bank of England, had urged the Chancellor to raise interest rates last month.

The minutes report Mr George saying: "To have a reasonable chance of hitting the inflation target two years ahead, the Chancellor needs to begin to take action now." But Mr Clarke turned down the recommended quarter-point rise in base rates, and is expected to turn down the Governor's advice at their next and possibly final meeting on 10 April.

"An immediate post-election rise is on the cards now," said Kevin Darlington, an economist at Hoare Govett.

The shock for the City in yesterday's figures came in an increase in underlying average earnings growth to 5 per cent in January. December's figure was revised to 4.75 per cent. The pace of pay inflation has risen by a full point since October. "It is the most rapid acceleration of that magnitude in earn-

ings since the 1970s," said Leo Doyle of Kleinwort Benson. Higher bonuses in the service sector – especially the City – were partly to blame for the jump. "Even so, the recent trend is clearly still worrying," said David Walton at Goldman Sachs. Reports of skill shortages, especially in services, have become widespread.

The Bank of England would be pushing even harder for a higher base rates, he predicted, and a rise of half a point after

To have a chance of hitting the inflation target ... the Chancellor needed to begin to take action

the election could not be ruled out.

Inflation figures due today are expected to provide the Government with some temporary relief. Some of the effects of the strong pound, which have sent inflation at the factory gate tumbling, are expected to feed through to retail prices in the short term. But most experts expect this to be short-lived, with home demand likely to send retail price inflation higher again later this year.

Shares in London ended lower, with the FTSE 100 index down nearly 25 points at 4,332.2. Gilt yields lost nearly a full point, with some traders nervous about today's retail price figures.

Other indicators also point

it was not possible to adjust for this fully. Nevertheless, it said the downward trend in unemployment was higher than the 15,000-20,000 it had been estimating previously.

Notifications of new vacancies to Jobcentres increased by 40,600 to the highest level since January 1980. The number of unfilled vacancies at 270,000, is above the late 1980s peak.

The latest employment statistics showed an increase of 54,000 in December, most of it in services. Manufacturing industry added only 1,000 new jobs in December, but another 15,000 in January.

Other official statistics confounded expectations that spending on the high street would turn out to have been

weak last month. Despite earlier surveys suggesting a slowdown, the volume of retail sales rose by 0.5 per cent, taking them to a level 4.4 per cent higher than a year earlier. This was slower than January's 4.8 per cent rebound but similar to last autumn's pace of growth.

The increases were spread almost across the board, with two exceptions. The volume of supermarket sales was flat last month, while mail order continued its steady decline.

Sales of clothing and footwear bounced, probably due to widespread price cuts in February. Sales of household goods and department store sales continued to be buoyant.

"The good news is that the volume growth has been achieved by price discounting," said David Hillier at BZW. But he noted that prices of services, as opposed to high street goods, were rising at an annual rate of above 4 per cent.

The expectation of higher borrowing costs to come in the UK was cemented by figures showing that US consumer prices rose more than expected last month. Many analysts reckon the Federal Reserve will increase American interest rates by a quarter point after its Open Market Committee Meeting next week. "If the Fed raises rates and the UK statistics continue to power ahead, monetary policy on this side of the Atlantic will be left languishing in the mire of the political business cycle," said David Bloom, an economist at James Capel.

Hurdles for jobless, page 24



Aud Wiederschen Germany: After boom (above, in the television comedy) and bust after the Eighties, brickies' rates have risen from £7.50 to £9 a hour in the last six months alone

Beazer hopes to lure builders back to UK

Patrick Toohr

Superhod is back. The economic conditions which spawned Max Quartermain, the brickie who became a millionaire during the 1980s building boom, have returned and could lure thousands of exiled labourers immortalised in the hit series *Aud Wiederschen Pet* to come home from Germany.

That, at least, is the hope of Beazer, Britain's third-biggest housebuilder. It warned yesterday that the strength of the housing market, especially in London, was leading to skill shortages that threatened to delay some building programmes.

Wages are being driven up to levels not seen for a decade. Brickies in London now command a hourly rate of £8.50 compared with £7 just six months ago, according to Grant Prior of Construction News. And on the delayed Jubilee Line extension, an electrician's hourly pay has shot up from £7.50 to £9.

Beazer's warning is underlined in a report out today by Cambridge Econometrics, the economic consultants. "Skill shortages and capacity constraints could soon begin to appear, including among materials producers, reflecting the restructuring of capacity and the loss of skilled workers during the recession," when hundreds of thousands of builders left the industry.

Cambridge Econometrics expects output to grow 4 per cent this year and 5 per cent in 1998. "The outlook for construction is better than any year since the late

1980s boom," the report says. Joiners, plumbers and electricians are in short supply but the problem is most acute with bricklayers. "They can take their pick at the moment," Mr Prior said.

Despite the recent strength of sterling against the mark, exiled brickies in Germany still earn about half as much again as their UK peers. And in a reversal of historical trends, British labourers are heading over to Dublin to capitalise on the building boom in Europe's fastest growing economy, dubbed the "Celtic Tiger".

To cope with the skills squeeze, Beazer is calling on the thousands of British builders who fled the recession to make their fortune from the German post-reunification boom.

"Come home," urged Dennis Webb, Beazer's chief executive. "We are just marching our requirements now but we are having to make our existing labour force work harder," he continued. "Good quality people have not been trained over the last few years and we just can't get enough units built quickly enough."

Mr Webb – a Geordie like the character played by Jimmy Nail in *Aud Wiederschen Pet* – was speaking after Beazer posted a 29 per cent increase in pre-tax profits to £22.8m in the six months to December 1996.

Marley, the building materials group also noted an improved trend in UK housebuilding as it reported full-year profits of £8.0m (£46.3m).

Saudi prince buys 5 per cent stake in TWA

David Usborne
New York

was Prince Al-Waleed's decision last year to sign an agreement with rock-star Michael Jackson to establish a joint venture company named Kingdom Entertainment. The company was created to promote concerts, films, television projects, fun parks and hotels.

TWA said yesterday that its newly installed chairman, Gerald Gittner, was told by the prince that he had no plans to increase his stake in the carrier. To gain his 5 per cent holding, the prince purchased 2,088,000 shares of common stock. With TWA shares priced at \$6.875 at the close on Tuesday, that would translate into a fairly modest investment of \$14.34m.

While the prince's investment will provide a morale booster for TWA, the future of the carrier remains uncertain. Last month, the main union at the carrier tried to promote a partial bid for control by a New Jersey investment group with participation by Russia's number two airline, Transaero.

Nothing appears to have come of the approach, however.

In announcing the fourth-quarter losses, Mr Gittner blamed several factors beyond the TWA 800 crash. In particular, he pointed to previous management for attempting an over-ambitious flight schedule in the 1996 summer season that led to poor reliability and on-time performance.

Last month Mr Gittner announced new moves aimed at saving the airline, including the disposal of its ageing jumbo jets, which will be replaced by new and more efficient Boeing 767s and 757s.

Co-op hires top merchant banker to fight Lanica

Nigel Cope
City Correspondent

The Co-operative Movement mobilised its defences against Andrew Regan's Lanica Trust yesterday when it hired one of the City's top merchant bankers to represent it.

The appointment of Brian Keelan of SBC Warburg came as a group of nearly 50 Labour MPs put down an Early Day Motion denouncing Mr Regan as an "asset stripper".

The motion said: "This house deplores an attempt by asset strippers, hiding behind brass plates in Monte Carlo, the West Indies and the Channel Islands, to seize the assets of the Co-operative Movement which for more than a century has served the best interests of Britain's consumers."

It urged the Bank of England, the DTI and the Stock Exchange to "halt this charade before another scandal in the City emerges".

The motion caused a furore at the House of Commons as

Labour MPs cause furore in House of Commons with Early Day Motion denouncing 'asset-strippers'

six of the 47 signatories were Labour Co-op MPs who failed to record their interest.

The MPs said they had received no backing from the Co-op since 1992 and had not thought there was anything to declare.

The Co-op's appointment of Mr Keelan was taken in the City as a signal that the movement is taking the Lanica Trust approach seriously.

It also forges an odd union between one of the City's most aggressive, red-blooded take-over specialists and a democratic movement founded in the early nineteenth century to improve the conditions of the working man.

Another twist is that it pitches Mr Keelan on the defence side of a "bid" when he usually represents the bidder.

His past battles include rep-

resenting Trafalgar House in its failed bid for Northern Electric and a failed break-up bid for National Power by the Southern Company of America.

It is not as if we are preparing for a hostile bid. But you need merchant banking advice."

Warburg has provided the Co-op with financial advice since 1964.

Mr Keelan has been recruited to give specific advice on how it should consider the approach by Lanica's associate company, Galileo.

It is thought the Co-op is expecting Lanica to make its move in the next 10 days or disappear from the scene.

Though Lanica has secured backing of £1.5bn and due diligence money of £1.0m from City institutions such as Schroders and Perpetual, the Co-op is expecting Mr Regan to withdraw from the fray.

Lanica Trust said it was bemused by Mr Keelan's appointment.

"They keep saying the matter is closed. But if that is the case why have they appointed

Warburg? It all seems rather odd."

The Co-op maintains that a break-up bid is precluded by the group's structure in which it is owned by its members – the regional societies.

The movement has its roots in Rochdale where a local warehouse became the first Co-op shop in 1934.

It grew to include supermarkets as well as a chain of funeral parlours, travel agencies, opticians and garages.

It owns the Co-operative Bank and the Co-operative Insurance Society.

It has huge farming and milk interests. It also has a manufacturing business which makes safety footwear and shirts.

The Co-op is formed of 51 regional societies, of which the largest are the Co-operative Wholesale Society, which owns the bank, and the insurance business, the Co-operative Insurance Society.

The movement's combined turnover exceeds £7bn.

Rexam to axe 1,200 staff

Magnus Grimond

Rexam, the packaging group formerly known as Bowater, yesterday announced 1,200 job cuts alongside record losses of £190m as new management attempted to draw line under past mistakes. Around 500 jobs are to go in the UK, including the loss of 100 places at a factory at Fishponds in Bristol, which is to be closed, with smaller numbers going from most parts of Rexam's British businesses.

Jeremy Lancaster, who took over as chairman last year, said the job cuts and exceptional charges totalling £35.8m resulted from the decision announced in September to "clear the decks by taking action over our under-performing businesses, by making disposals, removing excess capacity and making our historic capital expenditure work for us."

Twenty businesses earmarked for sale have been grouped in a new Octagon division. Together with operations to be closed and disposals already completed, these account for a £254m goodwill write-off in last year's figures. Restructuring and rationalising the businesses to be retained will cost a further £7.5m, after tax. Mr Lancaster said, with the axe falling most heavily on the food and bever-

age packaging and coated films and papers divisions. Cost savings are expected to total £23m on an annualised basis.

Most of the businesses being sold came as a result of a buying spree conducted by previous management at Rexam, many coming as part of the acquisition of Norton Peper in 1989 and DRG Packaging in 1992. The company admitted yesterday that, "with the benefit of perfect hindsight", it was clear it overpaid with some of the acquisitions.

The weight of the charged pre-tax profits of £180m into losses of £190m last year, but Rexam is holding the final dividend at 8p to make an unchanged total of 14.1p for the year. Sales were flat at £2.28bn. Rolf Borjesson, the chief executive who moved over from Swedish packaging group PLM last year, said: "I believe we can move this group from £270m of sales to £300m of sales over the next three to four years." This included raising food and beverages from £400m to £600m of sales and healthcare from £200m to £400m.

Rexam conceded that market growth alone would take turnover over to £2.5bn, but Mr Borjesson said the rest would be made up through acquisitions. The shares rose 3.5p to 32.2p.

Buoyant Kingfisher to spread wings

Nigel Cope
City Correspondent

Sir Geoff Mulcahy expressed caution about the prospects for this year. "We expect competition to be intense and to see low growth both here and in France," he said.

Kingfisher said its trading since 1 February had been encouraging but declined to give a figure on like for like sales growth. This prompted some analysts to express caution about prospects for this year. "It will be a more difficult year especially in France which accounts for 30 per cent of Kingfisher's profits," said John Richard at Nat West Securities.

Kingfisher has opened its first store in Asia with a branch in Taiwan. It says the store is trading well and a further will open this year.

The group said it was possible that its other formats such as Superdrug and Comet could open in Taiwan and other Asian markets. Kingfisher is also considering expanding into emerging markets in Europe to complement its interests in France.

Sir Geoff Mulcahy, chairman, did not rule out acquisitions to boost Kingfisher's expansion but declined to comment on speculation linking the group with the Littlewoods

high street stores recently put up for sale, or the Wickes DIY business.

It is expected that Kingfisher will examine the Littlewoods documents compiled by BZW. While some of the sites would be suitable for branches of Woolworths it is thought unlikely that Kingfisher would be interested in bidding for the whole chain.

Kingfisher's group sales were 10 per cent ahead last year at £3.5bn. Like for like sales across the group were 7.4 per cent.

Kingfisher shares closed 22.5p higher at 69.7p.

Investment column, page 22

STOCK MARKETS									
FTSE 100		Dow Jones		Mitsubishi		TSE		FMTW	
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COMMENT

There is, of course, no chance of Mr Clarke doing the honourable thing after the April monetary meeting and raising interest rates. This explains the big sell-off in gilts and short sterling yesterday.

Just as Admiral Nelson put his telescope to his blind eye at the Battle of the Nile, Kenneth Clarke is doing his bit for his party, if not his country, by a selective viewing of the economic horizon. He sees no inflationary forces bearing down. Rather the reverse, he told Eddie George last month at one of their regular monthly meetings. The signs are that the strong pound is pinching exports while prices at the factory gate remain very favourable. Combine this with steady economic growth and everything points to a smooth passage ahead.

Yesterday's unmistakable evidence that the old enemy of wage inflation is on the march could scarcely have come at a more awkward moment for the Chancellor. While it may have been possible to persuade the City to overlook rapid monetary growth and ignore booming service industries and construction in favour of limping manufacturing, wage inflation is one thing financial markets do take seriously as an indicator of wider inflationary pressures in the economy.

There is, of course, absolutely no chance of Mr Clarke doing the honourable thing after the April monetary meeting, and, as he should have done six weeks ago, raising interest rates. This explains the big sell-off in gilts and short sterling yesterday. UK interest rates are now hostage to the election and will not rise until May. That will be six months during which the Chancellor

has ignored the Bank of England's advice that interest rates must rise for there to be a chance of hitting the inflation target. And let us not forget, the Bank is more optimistic about inflation than others.

In the US short term interest rates will almost certainly be rising again shortly to choke off any possible inflationary danger. Meanwhile, better economic news on the Continent is likely to confirm expectations that interest rates in Europe will fall no further. Britain, as ever, will be taking inflationary risks on its own.

The consequences for gilts and the pound are predictable. The Government has not hit its inflation target at any point since the end of 1994. Already we have one of the highest inflation rates among the major industrial countries, and one of the highest long-term interest rate spreads over German bonds too. The gap can only widen now the brief flirtation with being tough on inflation is over.

The rapid outbreak of peace in the Krupp-Thyssen takeover battle had the German political establishment breathing a mighty sigh of collective relief. But there is a long way to go before the Ruhr steel industry and Chancellor Kohl for that matter are out of the woods.

The Kohl queue, as Germany's unemployed have become known, is still at its longest since the war and there is every

chance that Krupp and Thyssen will be adding to it shortly, irrespective of whether their "commonly-held steel business" is forged through agreement or aggression.

The fact is that the German steel industry is much less efficient and much less profitable than those of either Britain or France. Not has the inherent advantage it enjoys of producing steel in the same currency as it is traded throughout Europe been exploited to the full.

At Thyssen it costs about £60 to produce a tonne of liquid steel. On Teesside or any of British Steel's three other integrated plants, the figure is nearer £45. The Germans also labour under the disadvantage of having two big steel producers. In France and Britain there is only one.

A lesson which the German coal mining industry learnt the hard way is now being passed on to its steel producers. Job security is a thing of the past in an age when the Japanese, the Koreans and even the Brits can do it better and more cheaply. To be fair, Thyssen is actually aware of this.

But it has taken the Krupp chairman, Gerhard Cromme, to do something about it by short-circuiting Germany's consensus culture with his cheeky bid. Thyssen may have bought itself time by returning to the negotiating table, while the political will for a deal that does not cause mass job losses must remain a powerful influence. But Mr Cromme's surprise takeover of Hoesch in 1991 shows he has

the ability to pull off hostile bids in the face of political unease and management opposition.

In that case, he had secretly amassed a sizeable stake in Hoesch while the board was vowing to retain its independence. With Thyssen's share of their earlier highs there is a similar buying opportunity in the grey market for fans of Mr Cromme. The next eight days could prove to be the lull before the storm.

There must be life in the Co-operative Wholesale Society after all. Its appointment of Brian Keelan as SBC Warburg, one of the City's most aggressive investment bankers, to help repel boarders is as clear a sign as they come that the ship is manned after all and is taking very seriously the threat being posed to its tradition and values by the youthful Andrew Keelan.

What it also tells us is that there probably is a way for Mr Keelan to mount some kind of hostile bidding party, notwithstanding the Co-op's complacent insistence that its rules and constitution make it entirely immune to this sort of grabby capitalist enterprise.

The Co-op is now pulling out all the stops. Through an early day motion in parliament yesterday, it accused Mr Keelan of being a nasty little offshore asset stripper. But just incase the politicians and the

courts decide to abandon the movement to its fate, Mr Keelan is being parachuted in to lend a hand. Technically his role will be to evaluate the Lancastrian "offer" if and when it arrives. What he might actually find himself doing, if Mr Keelan's bid is as credible as his backers claim it will be, is attempting to beat Lancastrian at its own game - constructing a breakup which delivers even more value back to the Wholesale Society's regional members.

They've certainly hired the right man to do it. Mr Keelan and his apparently high powered array of City backers will certainly meet their match in Mr Keelan, who acted for Southern during its mooted breakup bid for National Power, and Trafalgar House when it attempted to back its losses into Northern Electric.

In other words, he knows rather more than Mr Keelan about the art of the possible in corporate finance.

If Mr Keelan is to move at all, he will have to do so in the next two weeks. He's assembled the fire power and believes he's found a way through the Co-op's byzantine defences. But will he actually fire the canon? If he backs off now, then the credibility of this young chancer may well be shattered for good.

Certainly his hyper inflated share price will fall like a stone once the suspension is lifted. But if he lights the fuse wire, he can expect a fight that might prove equally fatal.

Cable & Wireless edges closer to US partnership

Chris Godsmark
Business Correspondent

The complex pattern of multi-billion pound global telecommunications shifted yesterday as Cable & Wireless apparently edged closer to a long-awaited partnership with Sprint of the US and intense speculation surrounded a possible link-up between British Telecom and Spain's main phone company, Telefónica.

Cable & Wireless refused to comment on reports that it was examining mounting an outlandish takeover bid for Sprint, the US's third largest long-distance phone operator. The move, which could value Sprint at more than \$15bn, was seen by analysts as a logical way for

C&W to ally itself with Global One, the alliance between the US company and its partners, France Telecom and Deutsche Telekom. It would come on the heels of BT's planned £1bn merger with MCI, Sprint's larger US rival.

One suggestion was that the two European carriers would use C&W as a vehicle to bid for the 80 per cent of Sprint they do not already own. The US regulator, the Federal Communications Commission (FCC), would almost certainly block a direct bid on the grounds that French and German telecoms markets are too restricted. The FCC would look far more favourably on a UK bid because the British phone market is open to competition.

Ionica set for early float after raising £215m

Ionica, the wireless telephone company competing for a slice of BT's residential business, could float itself on the stock market as early as this summer, it emerged yesterday after it raised £215m in debt and private equity, writes Chris Godsmark.

The Cambridge-based business, which launched a fixed-line phone service in East Anglia last year, released customer figures for the first time, showing 14,000 homes had subscribed, representing 2 per cent of the 705,000 within reach of base stations. Ionica, launched in Coventry this week and is about to expand into Birmingham.

The cash-raising exercise involved £200m (£125m) of debt accompanied by warrants convertible into Ionica shares, which would be issued if the company fails to float within a year. The company said no decisions had been taken but it intended to float this year in London and on Nasdaq in the US.

Ionica also raised £65m in new equity from private investors, including Bank of America, bringing the total equity to £130m. Its main investor, Yorkshire Electricity, took up the offering, maintaining its stake at 19 per cent.

Last night William Esprey, Sprint's chairman, insisted a takeover by C&W would be "impossible" because of existing contractual agreements with France Telecom and Deutsche. However a France Telecom spokesman confirmed C&W was discussing joining Global One. "There are talks with Cable & Wireless and they centre on seeing whether the company can become the British partner for Global One."

Analysts said any imminent bid moves by C&W would be difficult because the group is currently fully occupied in completing the landmark £5bn merger of its main UK subsidiary, Mercury, with two cable companies, Bell Cablemedia and Nyplex CableComms. C&W yesterday announced three further senior job appointments for the venture, called C&W Communications (CWC). It is now likely to publish a formal offer document for shareholders by the end of the month.

Graham Wallace, CWC's new chief executive is also considering appointing a chief operating officer to tackle the complex task of merging the three groups' operations. One candidate is thought to be Ian Boatman, a career C&W executive who recently returned from Germany after the company pulled out of its alliance with utility giant Veba.

Separately BT declined to comment on reports that it was to take a stake in the international division of Telefónica, which has lucrative interests in the fast expanding South American phone market.

The temporary ceasefire came after the personal intervention of the German economics minister, Gunter

Rexrodt, and the premier of North Rhine-Westphalia, Johannes Rau, who brokered a meeting between the chairman of the two groups on Tuesday night.

Industry analysts suggested that the shock hostile takeover bid launched by the Krupp-Hoesch chairman, Gerhard Cromme, had been deliberately timed to force his opposite

number at Thyssen, Dieter Vogel, back to the negotiating table after earlier merger talks broke down. "Krupp decided to bring out the tanks just to get Thyssen talking to it," said one analyst.

If the discussions fail, then the two sides will revert to their original positions, allowing Krupp-Hoesch to proceed with its takeover attempt.

sult in up to 30,000 job losses as "pure panic-mongering". The German Chancellor, Helmut Kohl, emphasised the importance of preserving jobs by urging the two companies to "live up to their total responsibilities".

He said: "In the interests of those employed by the two companies and in the interest of the economic climate of the country, the issue is to find a reasonable solution."

Mr Rexrodt, who discussed the co-operation plan with Mr Cromme and Mr Vogel, said the two steelmakers had not sought state subsidies but wanted to achieve long-term competitiveness under their own steam.

Rolls-Royce 'not up for sale'

Chris Godsmark
Business Correspondent

Vickers, the defence and automotive group, yesterday ruled out selling its luxury car subsidiary, Rolls-Royce, to its German partner, BMW.

Sir Colin Chandler, Vickers' chief executive, confirmed BMW would be interested in taking over Rolls-Royce, following a deal where the German group will supply engines for the next generation model due to emerge from the historic Crewe works by 2000. He said: "I would not deny that at all and neither would they but the point is we are not selling."

The comments were the

clearest signal yet that Rolls-Royce will stay as a long-term part of the Vickers empire, which ranges from Challenger to baby incubators.

Rolls-Royce sales rose by 12 per cent worldwide in 1996, though there were fewer exotic bespoke cars made than a year ago.

Vickers also revealed it was urgently seeking a deal with prospective partners to inject cash into its troubled medical products division, which has about half the baby incubator market in the UK and US.

Sir Colin said he was "frankly disappointed" by the results from the medical business, which saw operating profits rise last year to just £1.6m from £0.9m in 1995, on sales of £18.5m. The division, which

employs 1,500 staff, continued to be hit by falling or deferred equipment orders from the National Health Service.

"We need a partner for the medical division and we're in dialogue with prospective partners. It's a very urgent issue for us," Sir Colin said. A deal is expected in a matter of weeks.

The comments came as Vickers announced an 11 per cent rise in pre-tax profit to £83.3m. Sir Colin also insisted Vickers was over quality problems identified during trials of its Challenger 2 battle tank.

He said a second test in Dorset had just been completed and the situation was now "completely solved".

The group's share of losses at Newspaper Publishing, owner of *The Independent* and *Independent on Sunday*, was £r5.2m. The company said it anticipated a further substantial fall in those losses this year.

Independent Newspapers was buoyed in its Irish home market by a very strong economy. The advertising market in Ireland last year grew by 18 per

cent and Independent Newspapers did a bit better than that. The company also benefited from softer newspaper rates on the stock market.

In South Africa, performance has been boosted by the addition of new products. Business coverage has been standardised across the group's various titles leading to a big pick-up in business advertising. Weekly personal finance sections have been added.

Mr Healy believes the group's strategy of developing a "basket" of newspaper interests spread across the world is being wholly vindicated by

value. There are common skills we can apply to all these businesses and we were very limited in our scope for expansion in Ireland."

A final dividend of 4.6p is being recommended, lifting the total for the year by 18 per cent to 6.9p. A scrip alternative is again being offered.

B&B pledges £100m in loyalty bonuses

Nic Cicutti
Personal Finance Editor

last year's loyalty package, which saw £43m shared out between members.

Redundancy costs set the society back a further £15m in 1996. A further £20m reduction in pre-tax profits was caused by more conservative accounting procedures, taking the impact of special mortgage discounts and cashbacks in the 12 months after the loan is made rather than extending it over a longer period.

Bradford & Bingley's assets grew by 9 per cent to £1.7bn, while its new residential mortgage advances grew by 55 per cent to £2.8bn.

Bradford & Bingley also expects to maintain the existing 0.25 per cent gap in variable mortgage rates between itself and rivals. The society claimed that this step alone would give savings of £900 spread over seven years compared to the demutualisers, to some with a £50,000 mortgage.

Unlike its previous loyalty package and that of other societies, Bradford & Bingley's will be set by pegging retained profits to about 5 per cent of its reserves, currently about £1bn, with any excess profits handed back to members.

The bonus announcement came as Bradford & Bingley announced that its profits in 1996 dropped to £56.6m compared to £107.7m the previous year. The society claimed the reduction was largely caused by

Independent Newspapers keeps up global pace

Independent Newspapers, the Irish-based newspaper group, yesterday underscored its rapid development into an international media group with news of a 47 per cent increase in pre-tax profits for last year to £r7.5m.

Liam Healy, the chief executive, said the group was well positioned to achieve further profitable growth in the current year.

With the company's recent acquisition of Wilson & Horton in New Zealand contributing to

results for a full year for the first time, some analysts are predicting that group profits could rise to as high as £r100m this year.

New Zealand is also predicted to become the company's biggest source of profits for the first time, outstripping the group's home base in Ireland.

Independent Newspapers, which owns 46.4 per cent of *The Independent* in Britain, seems to have done well across the board last year, confounding those critics who have challenged its

strategy of international expansion.

Operating profits were up 33 per cent in Ireland, 140 per cent in the UK, 59 per cent in France, 3 per cent in Australia, and 6 per cent in New Zealand.

The group's share of losses at Newspaper Publishing, owner of *The Independent* and *Independent on Sunday*, was £r5.2m. The company said it anticipated a further substantial fall in those losses this year.

Mr Healy was keen to stress

that the group's strategy of developing

business

Savoy revalues its five hotels at £400m

Tom Stevenson
City Editor

The Savoy Group took a big step towards becoming "a normal company" yesterday, revaluing its five luxury hotels, including Claridge's, the Connaught and the flagship Savoy itself, at almost £400m. Until now the company, which also owns the Lygon Arms in Worcestershire and a handful of central London restaurants, has merely acknowledged that the value of its hotels was considerably greater than the out-of-date figures in its books.

The revaluation, which boosted the Savoy's shareholders' funds from £91m to £572m, was announced along with sharply higher profits for the year to December before a one-off write-down of overvalued assets that sent the company to a reported £3.3m loss.

The Savoy's hotels shrugged off the distraction of a £60m refurbishment programme, de-

signed to reverse years of under-investment, to record operating profits of £15.7m, third higher than 1995's £11.8m. Margins jumped from 13.2 to 17.1 per cent as occupancy rates of 84 per cent outstripped the previous year's performance and that of its five-star London rivals.

Sir Ewen Ferguson, the former diplomat who combines the chairmanship of the Savoy with that of Coutts, said: "As the year's achievements make clear, we have begun reaping the benefit of two years unremitting effort to achieve excellence and improve standards for our guests."

Ramon Pajares, the group's Spanish managing director who was brought in two and half years ago by Sir Rocco Forte, admitted the revaluation of the hotels was the latest initiative to "make this a normal company".

He denied the move was anything to do with the stated intention of 68 per cent shareholder Granada to sell its stake.

When Granada acquired Forte at the beginning of last year, the television and leisure group said it would sell the stake as part of a planned clear out of Forte's luxury hotels. Since then, it has sold only a handful of Forte's Exclusive hotels and made no progress in finding a buyer for the Savoy stake. Any sale is complicated by the need

to find a buyer acceptable to the Wontner family that controls the company through its holding of the Savoy's voting shares.

Mr Pajares said the refurbishment programme was almost complete. He added that 22 per cent of the group's rooms had been unavailable during the year, a total of more than 37,000 room nights repre-

senting more than £8m in potential revenue.

A major success, according to Mr Pajares, had been the restoration of two penthouse suites at Claridge's which, despite a cost of £2,100 a night (plus VAT) including breakfast, had been occupied for more than 80 per cent of the time since they opened.

Photograph: Tony Buckingham

Ramon Pajares: Aims to make Savoy 'a normal company'

Stephen Vines
Hong Kong

Hongkong Land Holdings, often seen as the jewel in the crown of assets held by the Hong Kong-based but London-listed Jardine group of companies, limped into the colony's reporting season with a disappointing 4 per cent growth in underlying net profits for 1996, which were boosted by an exceptional gain from the disposal of its disastrous investment in Trafalgar House.

A write-back of \$217m (£136m) arising from the dis-

posal, combined with the elimination of a \$145.5m loss from Trafalgar House operations in 1995, helped boost overall profits almost three times over to \$64.9m. Without the Trafalgar House contribution, profits from recurrent activity rose modestly from \$41.5m in 1995 to \$42.3m last year.

Announcing the results yesterday, the company's chairman, Simon Keswick, could promise no excitement in the coming year as there was little likelihood of increasing rental revenues.

Hongkong Land, which has delisted from the colony's stock

exchange and witnessed trading in its shares slump, is seriously underperforming the property sector. The biggest increases in the sector's profits have come from residential development but Hongkong Land not only sold almost all of its residential assets, it failed to maintain its land bank.

It remains the leading landlord for prime office properties in Hong Kong with some 5 million square feet of grade A property under its ownership or management at the heart of the financial district. A revaluation of these properties last year

showed a 27 per cent rise in their value to \$9.6bn.

Although Hongkong Land has retained its position as the colony's leading commercial landlord, it has shown none of the aggressive initiative which propelled rival property companies into a better position. While they were busy with residential property developments rising in value by the day, Hongkong Land was trying to untangle its expensive investment in Trafalgar House.

The net result of Hongkong Land's woes is that it is perpetually seen as a takeover

target. The Jardine Group fought off a powerful attempt to wrest control of Hongkong Land in the late 1980s and regularly declares its property company is not for sale. This does not dampen the rumours.

However, Hongkong Land's management is finally showing signs that it intends to develop the business rather than sell off assets or merely consolidate those which remain. It is once again moving out of the central area to develop a big commercial complex in another district and has even made a tenuous return to the residential sector.

Hongkong Land misses property boom

Stephen Vines

Hong Kong

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Bernard Matthews benefits from BSE

Clifford German

Processed poultry, pork and fish, cooked meats and catering now account for more than 90 per cent of the business of Bernard Matthews, the Norfolk-based meat processor that originally made its name from just selling turkeys.

And all of these products have benefited from the beef crisis, which has shifted consumer preferences to other types of meat.

Beef products only made up a little more than 1 per cent of group turnover and the production line was eventually closed last year.

Bernard Matthews' total turnover rose by 17 per cent last year to £355m, the oper-

ating profit rose by 27 per cent to a record £26.9m and, even after a 60 per cent jump in interest costs to £4.4m, profits before tax went up 20 per cent to £22.6m.

Although the results, which showed earnings per share climbing by 21 per cent to 12.69p, were comfortably ahead of City forecasts, the chairman, said yesterday.

Capital expenditure, which was mainly spent on building new factories, reached a record £33m, but net debt rose only £19m to £30m.

The new factories in the UK and Hungary will start to contribute to profit this year and the Bernard Bartsch group, bought for £5m last November, will expand both sales and profits, the company said.

more competitively priced in the UK.

The price of imported soya bean meal has reached record levels in spite of the strong pound.

However, profits in the current year were running ahead of 1996, Bernard Matthews, the chairman, said yesterday.

Capital expenditure, which was mainly spent on building new factories, reached a record £33m, but net debt rose only £19m to £30m.

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Ford bonus system changes

Chris Godsmark
Business Correspondent

Evans Halshaw, the Solihull-based car dealership group, yesterday signalled a fundamental shift in the way the Ford car giant offers bonus incentives to dealers.

The change, which took place last month, means that for the first time in many years Ford dealers will not receive cash bonuses based on their monthly sales targets, a tactic widely blamed by experts for encouraging showrooms to "pre-register" large numbers of cars to boost the statistics artificially. Instead dealers will receive annual bonuses and will be dis-

couraged from undercutting rival Ford agents outside their franchise area.

Alan Smith, Evans Halshaw's chief executive, welcomed the change, though industry sources have blamed it for the huge drop in Ford sales in February to just 16.4 per cent, compared with 21 per cent a year ago. Mr Smith said: "In the longer term we will see improved profits margins. It's a very positive change." The company has 14 Ford dealerships.

Evans Halshaw yesterday said it plunged to losses last year of £9.3m, down from profits of £13.6m in 1995, following exceptional charges totalling £20.4m. Last year Evans an-

nounced a management shake-up, including Mr Smith's appointment, and a restructuring programme which involved the closure or sale of 19 dealerships, reducing the number to 76.

The cuts cost the company £11.3m, while goodwill write-offs accounted for further provisions of £8.8m. Underlying profits excluding these one-off costs fell from £13m to £1.1m.

The group's total car sales fell by more than 8 per cent last year to 36,000, though used car sales on a like-for-like basis increased by 3 per cent. Mr Smith blamed the reduction on UK manufacturers cutting the number of cars sold at heavy discounts to company fleet buyers.

IN BRIEF

• The Accountants' Joint Disciplinary Scheme is to investigate Arthur Andersen over its audit of Wickes, the troubled DIY retailer, where "serious accounting irregularities" were discovered last year. Michael Chance, executive counsel of the JDS, said yesterday his remit was to investigate Andersen as auditors of Wickes as well as any employees of Wickes who are chartered accountants. "I would be disappointed if the investigation is not completed within a year," Mr Chance said. At the end of the inquiry the JDS will decide whether there are grounds for a complaint to be heard by an independent Joint Disciplinary tribunal.

• A dramatic increase in outsourcing revenue, from £116m to £359m, helped British management consultancies' income rise 35 per cent to £1.7bn, according to figures from the Management Consultancies Association. However, the industry's annual report, published yesterday, shows declines in public-sector and information-technology work.

• Aegis, the media group, is making three acquisitions in the US and Sweden for a total of up to £30m. In the biggest deal it is paying up to £18m for International Communications Group, an independent media specialist with headquarters in Los Angeles. The news came as Aegis reported an 18 per cent improvement in pre-tax profits to £39.6m last calendar year on turnover 2 per cent higher at £3.45bn. Earnings per share rose 17 per cent to 43p while a 0.6p dividend is recommended.

• Bowthorpe's shares rose 5.5p to 394.5p as the UK electronics maker announced a better-than-expected growth in underlying earnings. Its 1996 pre-tax profit fell 6 per cent as it made a £8.5m provision to close three companies in the data-acquisition and environmental industries. Pre-tax profit fell to £72.9m from £77.5m last year.

• Simon Engineering plunged to a loss for 1996 of £50.6m against a profit of £8.4m last time, largely due to an exceptional charge of £57.5m regarding the sale of the engineering businesses of the access division. Simon's management now says the reorganisation is complete.

Company Results

	Turnover £	Pre-tax £	EPS	Dividend
Angus (F)	3.46bn (3.40bn)	39.6m (33.9m)	3.26 (2.86)	0.00 (-)
Baillie Gifford (F)	22.7m (22.6m)	22.6m (18.2m)	5.00 (4.62)	2.10 (2.00)
Baillie Gifford (F)	32.5m (31.7m)	27.5m (26.5m)	5.25 (5.00)	1.10 (1.00)
Baillie Gifford (F)	71.6m (70.2m)	29.5m (28.5m)	2.60 (2.40)	0.00 (-)
Baillie Gifford (F)	21.3m (14.3m)	1.5m (1.5m)	0.16 (0.16)	0.00 (-)
Baillie Gifford (F)	5.85m (5.85m)	0.25m (0.25m)	0.02 (0.02)	0.00 (-)
Baillie Gifford (F)	1.11m (1.05m)	0.25m (0.25m)	0.02 (0.02)	0.00 (-)
Baillie Gifford (F)	30.5m (27.5m)	2.62m (2.52m)	2.20 (2.10)	0.00 (-)
Baillie Gifford (F)	77.7m (74.5m)	4.82m (4.74m)	5.25 (4.86)	0.50 (0.40)
Baillie Gifford (F)	4.49m (4.44m)	3.44m (3.40m)	0.40 (0.40)	0.00 (-)
Baillie Gifford (F)	17.5m (16.2m)	5.31m (5.22m)	3.60 (3.49)	0.50 (0.40)
Baillie Gifford (F)	20.6m (19.7m)	4.45m (4.31m)	3.55 (3.39)	0.50 (0.40)
Baillie Gifford (F)	8.25m (8.25m)	1.72m (1.69m)	2.05 (1.78)	0.50 (0.40)
Baillie Gifford (F)	4.26m (4.26m)	0.85m (0.85m)	0.20 (0.20)	0.00 (-)
Baillie Gifford (F)	87.1m (85.6m)	8.22m (7.93m)	9.25 (8.89)	1.65 (1.50)
Baillie Gifford (F)	21.6m (20.8m)	1.85m (1.83m)	2.00 (1.83)	0.50 (0.40)
Baillie Gifford (F)	11.8m (10.2m)	1.65m (1.57m)	1.65 (1.57)	0.50 (0.40)
Baillie Gifford (F)	1.89m (2.02m)	0.10m (0.25m)	0.25 (0.25)	0.00 (-)
Baillie Gifford (F)	2.45m (2.35m)	0.33m (0.33m)	0.25 (0.25)	0.00 (-)
Baillie Gifford (F)	5.21bn (5.20bn)	3.12bn (3.12bn)	11.40 (10.40)	1.65 (1.50)
Baillie Gifford (F)	2.47bn (2.65bn)	1.73m (1.65m)	6.85 (6.50)	0.85 (0.75)
Baillie Gifford (F)	7.00m (7.00m)	85.0m (85.0m)	11.25 (11.25)	1.65 (1.50)
Baillie Gifford (F)	87.1m (85.6m)	8.22m (7.93m)	9.25 (8.89)	1.65 (1.50)
Baillie Gifford (F)	21.6m (20.8m)	1.85m (1.83m)	2.00 (1.83)	0.50 (0.40)
Baillie Gifford (F)	11.8m (10.2m)	1.65m (1.57m)	1.65 (1.57)	0.50 (0.40)
Baillie Gifford (F)	1.89m (2.02m)	0.10m (0.25m)	0.25 (0.25)	0.00 (-)
Baillie Gifford (F)	2.45m (2.35m)	0.33m (0.33m)	0.25 (0.25)	0.00 (-)
Baillie Gifford (F)	5.21bn (5.20bn)	3.12bn (3.12bn)	11.40 (10.40)	1.65 (1.50)
Baillie Gifford (F)	2.47bn (2.65bn)	1.73m (1.65m)	6.85 (6.50)	0.85 (0.75)
Baillie Gifford (F)	7.00m (7.00m)	85.0m (85.0m)	11.25 (11.25)	1.65 (1.50)
Baillie Gifford (F)	87.1m (85.6m)	8.22m (7.93m)	9.25 (8.89)	1.65 (1.50)
Baillie Gifford (F)	21.6m (20.8m)	1.85m (1.83m)	2.00 (1.83)	0.50 (0.40)
Baillie Gifford (F)	11.8m (10.2m)	1.65m (1.57m)	1.65 (1.57)	0.50 (0.40)
Baillie Gifford (F)	1.89m (2.02m)	0.10m (0.25m)	0.25 (0.	

market report / shares

Data Bank

FTSE 100	Price	Change	Yield	Price/	Index
BT	461.5	-0.5	4.5	11.5	1150
BP	243.5	-0.5	4.5	10.5	1150
SGM VOLUME	302.5	-0.5	4.5	10.5	1150
Siemens	100.5	-0.5	4.5	10.5	1150
Siemens	100.5	-0.5	4.5	10.5	1150
Share spotlight					

BT reaches 12-month high despite windfall tax threat

Taking Stock

Telecoms dominated the stock market. Nearly every broker in sight seemed determined to dial into BT, and rival Cable and Wireless was engrossed by speculation it planned a major US acquisition.

BT was the heaviest traded share and best performing blue chip, hitting a 12 month high with a 19.5p gain to 461.5p. The market has been impressed by a string of investment presentations, mainly relating to the proposed £200m takeover of MCI, the US communications group.

The BT share advance has been scored despite Labour threats of a windfall tax and the giant's seemingly endless battles with its industry regulator.

At 461.5p the shares are still below the 480p peak, hit at Christmas four years ago.

The MCI deal, which still has regulatory hurdles to overcome, is part of BT's push for a world-wide role. There is talk

that it is planning an alliance with Telefonica, the Spanish group, and yesterday it announced a Japanese joint venture and its involvement in a bid for a Singapore licence.

Cable, up 3p at 509p, is said to have its sights on Sprint, the US group. It was reported to be negotiating with two Sprint shareholders, France Telecom and Deutsche Telekom.

The French denied any talks with Cable, and Sprint claimed a deal with the UK group was not possible under standstill agreements it had with its Continental shareholders.

Cable would probably require a rights issue to fund the deal. It is still negotiating with the Chinese over its control of Hongkong Telecom. The group is expected to cut its HKT stake to nearer 35 per cent in exchange for a prominent role in the development of China's telephone industry.

The rest of the market re-

mained subdued by the election. Footsie ended 24.6 points lower, unable to draw any support from a New York underpinned by interest rate worries.

The planned windfall tax continued to weigh on privatised groups with the generators suffering the added discomfit of Westminster calls to give up more generating capacity.

Beer and leisure shares felt the pressure of Labour's proposals for a minimum wage while Bass, off 19.5p to 820.5p, also had to contend with the possibility that the Whitehall probe into its Carlsberg Teltel take-over will be delayed until after the election. First

Leisure fell 16.5p to 345.5p. Associated British Foods, the bread and sugar group, surrendered 5p to 511.5p on persistent talk that it intends to sell part or all of its Irish retailing operations to Tesco, little changed at 334p.

The food producer owns Ireland's largest supermarket operation and also has clothing shops in Eire.

Carpetright had a three-day session, at one time down 31.5p on worries of a profits warning. But a denial from finance director Ian Sneyd trimmed the fall to 16.5p to 562.5p. Meeting institutions at Kleinwort Benson, he said the market's £33m to £35.5m

range was "acceptable" but added analysts at the top should be "more concerned" than those at the bottom.

The twitchiness over Carpetright followed the Limelight fiasco - down another 10p to 97.5p - and the MFI warning.

Cairn Energy's figures and link with Shell provided a 56p

to 634.5p; Enterprise Oil

was back in the frontline with a 16.5p jump to 663p.

Kingfisher bounded 22.5p to 697p on its results but a downbeat Vickers performance left the shares 22p lower at 239p.

Financials had a subdued session. Mercury Asset Management, where suggestions of a Salomon Brothers strike lingered, lost 31p to 1,334p and Perpetual was lower 50p to 2,705p.

Abbey National dropped 17p to 732.5p as Kleinwort and Teather & Greenwood made negative noises.

Stanford Rook, developing

a tuberculosis treatment, was the drug casualty. The World Health Organisation's TB breakthrough sent the shares crashing 120p but at the close they were down 40p at 515p. Kenowa, on its trading link with Zeneca, jumped 80p to 435p; the shares came to market at 215p in December.

Stagelanech was again shunted lower, retreating another 34.5p to 689p on its trading embarrassment.

Parity, the computer group, shaded 6.5p to 533.5p as HSBC's investment bank sold one million shares. It found a rich profit irresistible. As Samuel Montagu it backed a management buy-in led by Philip Swinney four years ago. The price? Just 60p. The bank sold at 527p a share and still has a 2.3 per cent interest.

Kenwood, the kitchen appliance group, rose 11p to 148.5p as bid speculation resurfaced.

□ Hay & Robertson, the merchandising group, fell a further 3.5p to 124p. Last month the shares were 178.5p. The stumper is surprising close followers of the company, which has trading links with Rudd Gullit, Terry Venables and the Football Association.

There are suggestions interim profits will match the last full year's £613,000 and the company's stockbroker, Wise Speke, is thought to be near to producing a buy circular.

□ Cementone, the paint and wood preserving group, put on 4p to 52p, best for 12 months. The interest was created by talk of corporate action. Entrepreneur Andrew Perloff is deeply involved but the biggest shareholder is Indian tycoon Vijay Mallya; he is thought to be a likely seller of his 34 per cent stake.

MARKET REPORT

DEREK PAIN

stock market reporter of the year

share spotlight

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sport

'We still have a house near Lake Como, so that is one possibility, although I could also be playing in England or Spain, or just about anywhere. It depends on how I feel at the end of the season'

Despite speculation following Tuesday's news that he is leaving Bayern Munich, Jürgen Klinsmann tells Ian Stafford that his footballing future is far from settled

Jürgen Klinsmann can never be accused of being ordinary. Not on the pitch, and most certainly not off it either. He is happy, if in the mood, to talk at length about any subject, and it does not need to be football-related.

On the day we met at Bayern Munich's training headquarters, the man who held aloft the European Championship trophy last summer at Wembley had just returned from a visit to Israel on international duty with Germany. Never mind the fact that he was clearly mulling over his eventual decision to announce on Tuesday that he would be leaving Bayern Munich at the end of the season, he was keen to get across his emotions on such a provocative occasion.

"The players and I asked if we could visit the Holocaust Memorial in Jerusalem," he revealed within moments of greeting me. "Even though we were based in Tel Aviv, our manager, Bertie Vogts, who's very open-minded, agreed. We have a lot of players in the German team right now who have many interests outside football, and we may never get another chance to play in Israel again."

"We wanted to get an idea of how things are seen in Israel," he continues. "It was a very emotional experience for us all. We were shown the most horrific pictures, and it was explained to us what took place. It was horrible to see, and I felt pretty bad afterwards. I grew up in Germany, and this happened because of my nation."

For a couple of hours, then, Klinsmann and company were not foot-bafflers mindful of the big game ahead, but ordinary people paying their respects? "Oh, totally," he replies. "Of course my generation in

Germany are not responsible for what happened 50 years ago, but we are responsible to make sure that it never happens again."

As I said, Jürgen Klinsmann is an ordinary footballer. He and his American wife, Debbie, are expecting their first child this June and it seems apparent that when he finally hangs up his boots – internationally after the 1998 World Cup, and at club level a year or two later – Klinsmann will not be running a pub.

"I will take a big step away from the game and study a couple of courses," he says. "I want to become

'My French, my Italian and my English all need to improve. I think I will study all three'

good at computers, and also improve my languages." Any in particular? "My French," he says, before adding "My Italian too, and I think my English still needs to improve. Yes, I will study all three."

"Then, after a year, I will discover whether I want to explore new interests, or whether I can't live without football. At the moment I am in the centre of the game, but it would be good to stand back for a year and look at the whole business from a distance."

It is his more immediate future that has had everyone speculating, especially after his latest announcement. Even

before Tuesday's confirmation, stories have been appearing that Klinsmann wants to leave Germany, preferably returning to the Premiership where he made such an impact at Spurs.

He admits his time at Bayern has been far from settled. "By December last year I had reached the end of my tether," he says. "Although we won the Uefa Cup last season, we had also thrown away the championship. I was not happy about the way we were playing at all."

"Everything was a slow build-up, and I had problems just getting hold of the ball. The club seemed to be more concerned about the business side than the game itself, and I didn't like this aspect at all. I'm a straightforward person, and I told the club officials what I thought. They all agreed with me, and then did nothing. Meanwhile, I seemed to get the blame for the way we were playing from the German media and even from the club."

"In the end I had enough. I went public on German television and told the people how I felt. I said that I would only take so much, and then I would leave. I was asked if I could imagine playing elsewhere, and I said yes, because you never know what's going to happen next in football."

"The next thing I knew the club had leaked the details of my contract to the press. I was very interested to read all about my personal details in the newspapers. I have a clause which allows me to leave whenever I like. It gives me my independence. I can do whatever I want to. After this, things had to improve. For a while, they did."

"The team was playing less defensively, and I was scoring goals again, but it is clear I still do not fit in here."

This stand has provoked a storm in a country not used to such resistance. It has even hit the German press. "I have a case in court at the moment with *Bild*, our big and only tabloid newspaper," Klinsmann adds. "They wrote something very wrong about me during the European Championship. I told them that they can donate a few thousand marks to a children's charity, or I would take them to court. They've never really had these kind of problems before from a footballer, so I've ended up taking them to court." He shrugs his shoulders and smiles. "Now they are learning a little more about me."

Prior to his latest announcement, Blackburn were supposed to have nearly signed him. Not so, according to the man himself. "I've never had a call from Blackburn, and I've never spoken to anyone from the club," he insists. "But you were supposed to be seen in the town the other week weren't you?" "No, I am afraid not."

The truth is that not even Klinsmann knows where he will be next season. With his freedom of contract, he can choose where he likes. "My future depended on what happened at Bayern," he says. "Things have not improved here sufficiently since December. We were top of the league, but now find ourselves in second place. I've never won a league championship with any team I've ever played for, so it's very important to me."

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"I definitely won't play for another German team. Bayern is the No 1 club here. It's the highest level you can reach in Germany. But I could end up playing in Italy again. I liked my time in Italy, and we still have a house near Lake Como, so that is one

possibility, although I could also be playing in England or Spain, or just about anywhere. It depends on how I feel at the end of the season."

He has no qualms about returning to England then, even if he left Spurs under a cloud? "I don't have any problems with Alan Sugar, if that's what you mean," he says. "I understand why he was upset when I left, but it was definitely the right decision for me to leave. *Le Tissier* would take Spurs a few years to have a team capable of winning a championship. They have seven or eight quality players, but that is not enough to win a league."

His affection for the English game remains. Suggest to him that the Premiership and the international standard is below other European levels and Klinsmann launches a staunch defence of the English.

"Maybe a couple of years ago the Premiership was behind Serie A, the Bundesliga and the Spanish League, but not anymore," he insists. "The English have changed their mentality, and by introducing all the good foreign players they have learned quickly."

"The only people who don't seem to respect English football are the English themselves. They have no idea how high their reputation is abroad. People think they are only coming good now, but don't forget Germany were very lucky to beat them in the World Cup semi-final seven years ago. Even back then England had very talented and technical players."

"Your problem is that as soon as you lose a game your confidence disappears. You are far too critical of yourselves. England could easily have beaten Italy. There was no difference between the two sides at all."

With this, Klinsmann has to leave for training. Everybody at the club, from a waiver to a track-suited, middle-aged member of the management, nods at him appreciatively as he makes his way out to the pitch. Whatever their differences, the club will be sorry to lose him.

Klinsmann good luck for the remainder of the season and for his forthcoming fatherhood. "Thanks," he shouts back. "Have a nice day!" He is a free spirit, that's for sure. And even if he knows what is going to take place next in his extraordinary career...

Liverpool stay safety conscious

Whenever Liverpool have approached a match in Europe this season, one team seems to intrude on their preparations. They meet SK Brann of Norway tonight in the European Cup-Winners' Cup at Anfield, but the memory of Brondby will be playing on their minds.

On the face of it, an industrious but ordinary Brann ought to provide few problems for Liverpool who, after a 1-1 draw in the away leg in Bergen, will progress to the semi-finals with something as mundane as a scoreless draw. Simples, except the circumstances virtually mirror last season's Uefa Cup tie when Brondby got a late goal at Anfield and precipitated what is known on Merseyside as Black November.

Liverpool's March has been murky enough, with a defeat at Aston Villa, a draw against Nottingham Forest and a structural collapse against Newcastle that was only underpinned at the last moment by Robbie Fowler. A

Guy Hodgson finds memories of Brondby weighing heavily at Anfield

Brondby-type reverse, however, would evoke darker thoughts of another trophyless season, notwithstanding their second place in the Premiership.

Roy Evans, the Liverpool manager, said yesterday the emphasis would be on attack, with safety an underlying priority. Brann, after all, will have to take risks in the latter stages if neither side has made a breakthrough by then.

"It's pointless trying to get a 0-0 draw out of it," Evans said. "That's suicidal. You end up with a Brondby situation where someone gets a late goal and you're out. We have to try and win the game from the start but be sensible about it – we can't leave ourselves wide open."

Evans' priority is to avoid the

"silly goals" that have dragged back Liverpool's thrilling attacking play in recent matches. "We are going to be concentrating on the way our defence is set up, rather than on individuals," he said. "We don't mark man for man, but we're aware they have dangerous players."

Evans is notoriously loath to make changes and, with Bjorn Tore Kvarne ineligible, he implied yesterday his replacement will be the only change to his side. Phil Babb, Steve Harkness and Neil Ruddock are potential replacements, the latter most intriguingly as one Brann player this week described him as unfit to play professional football.

Brann's concerns, other than an angry Ruddock, centre around the striker Mons Ivar Mjeldt, who has scored six goals in the competition so far and who instigated a comeback against Liverpool when he came on in Bergen. Then an illness reduced him to substitute, tonight a knee injury is the worry.

Another likely departure from Elland Road is Tony Yeo, although his agent yesterday denied German reports that his client is poised for a return to the Bundesliga. The Ghanaian international joined Leeds from Eintracht Frankfurt two years ago and has been linked with a return there.

Nigel Clough has returned to Manchester City after a three-month loan spell with his former club, Nottingham Forest.

The Republic of Ireland manager, Mick McCarthy, has called up a part-timer from the League of Ireland club, Shelbourne, for the World Cup qualifier against Macedonia in Skopje on 2 April. Stephen Geoghegan, a 26-year-old service engineer with a Dublin mobile phone company, is the first player from the League to be called up for a competitive game for his country since November 1985.

Newcastle have nine League games left – starting with Sunday's tough trip to Wimbledon. Dalglish expects his players to bounce back from their European disappointment against Juventus and Norway's Rosenborg Trondheim last night looking at more targets for the summer. Dalglish gave due praise to

Dalglish keen on new recruits

ALAN NIXON

Kenny Dalglish yesterday admitted that Newcastle United need to show a marked improvement before they can win European trophies – but his immediate concern lies on the domestic front. To this end, he is set to make Georgia's midfield schemer Temur Ketsbaia his first signing for Newcastle United this weekend.

Dalglish is poised to tie up a move for the AEK Athens player, whose contract expires in the summer and who is available at a cut-price £300,000. Ketsbaia is travelling to Tyneside to sign a pre-contract agreement and will arrive permanently in the summer.

Newcastle United have been trying to sign Ketsbaia, but the player wants to move to the Premiership and is delighted to be joining Newcastle. For now, though, he will stay with AEK and help them in their quest for the European Cup-Winners' Cup and the Greek title.

Dalglish is desperate to recruit new players but has been frustrated so far. He has little money to spend and is scouring Europe for bargains.

The Newcastle manager, whose side were outclassed by Monaco in the Uefa Cup quarter-finals on Tuesday, was at the European Cup tie between Juventus and Norway's Rosenborg Trondheim last night looking at more targets for the summer.

Dalglish gave due praise to

Monaco after the French League leaders beat the Magpies 3-0 to complete a 4-0 aggregate win – but Newcastle's long-term planning will take second place behind the short-term necessity of qualifying for next season's European campaign.

"We've got to succeed at home first and take it from there," Dalglish, whose side are fourth in the Premiership, said.

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Palmer heads for Wearside

ALAN NIXON AND PHIL SHAW

Sunderland hope to complete the £1.5m signing of Carlton Palmer, the Leeds and former England midfielder, in time for him to face Nottingham Forest at Roker Park on Saturday.

Ian Rush, who has scored only three goals for Leeds since moving from Liverpool, is another target for the Sunderland manager, Peter Reid. Everton and Nottingham Forest are also thought to be keen on Rush.

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This is a great boost for myself, Shelbourne, and the League of Ireland," Geoghegan said. He scored both goals for the League's representative side in a 2-0 victory over the England semi-professional side in Dublin earlier this month.

Squad, Digest, page 27

Souness' decision proves costly

CLIVE WHITE

Chelsea
Southampton

It smacked of a gamble at the last-chance saloon for Graeme Souness, but his decision to drop Matt Le Tissier from his starting line-up failed to pay off at Stamford Bridge last night and, by the Southampton manager's own reckoning, they now need to win half of their remaining eight games to stay up.

Chelsea, caught between League ambitions and preserving themselves for their FA Cup semi-final against Wimbledon, were there to be beaten. Southampton, who have won just three of their last 21 League games since the heady days of that 6-3 win over Manchester United, could count themselves unlucky not to have come away with at least a point.

The emergence of Le Tissier from the bench after 52 minutes made no discernible difference as Southampton continued to press as they had throughout the second half to no avail.

The timing of Le Tissier's demotion could not have come at a worse moment for the Channel Islanders, with the announcement today of the England squad to face Mexico at Wembley on Saturday week.

For better or worse, the languid one must hope that Glenn Hoddle has already made up his mind on that score, but it is hard to imagine Le Tissier getting anguished about anything.

In his absence, there was certainly a more businesslike look about Southampton, and they went to Chelsea from the start, as indeed they were obliged to do given their perilous League position. The much-maligned Frode Grodias in Chelsea's goal needed to be quick off the mark to deny Matthew Oakley minutes after an Eyal Berkovic cut-back from the byline had gone begging.

As is their way, Chelsea's forward quality managed to alleviate the mounting pressure on a defence in which Erland Johnsen, standing in for the suspended Franck Leboeuf, was particularly ill at ease.

Roberto Di Matteo had just sent one shot dipping over the bar when Chelsea went ahead after 22 minutes, courtesy of fellow Italian Gianfranco Zola.

His strike brought him level on 11 goals with Gianluca Vialli and Mark Hughes as he whipped the ball home after the latter had chested down a long clearance into his path.

Chelsea (4-4-2): Grodias; Sinclair, Clarke, Hughes (Parker, 60), M. Hughes, Zola, Sestini (not used: Myers, Vialli, Morris, Colgan 160). Southampton (4-4-2): Taylor, Van Gaal, Neal, Dyer, O'Connor, O'Donnell, Oakley (Le Tissier, 52); Berndsen, Evans. Substitutes not used: McDonnell, Bremner, Beattie. Referee: S Lodge (Barnsley).

Leading edge

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Puskas's crowning glory was humiliation of arrogant England

The curriculum Billy Wright laid down when manager of Arsenal included a weekly film show of football matches chosen to illustrate technical variations and tactical acumen.

Whatever was shown on the screen at Highbury, the players claimed to see one example above all others. The requests for a goal scored by Ferenc Puskas for Hungary in their 6-3 rout of England at Wembley on 25 November 1953 were an "in" joke at Highbury, because it showed the great inside-forward making a fool out of Wright before he fired the ball past Gil Merrick.

Wright recalled: "The boys loved to see that one. Seeing the boss embarrassed by Puskas was all part of the scene. But even though I cringed every time I saw myself lunging in

the wrong direction, it didn't alter my admiration for Puskas's skill."

One of that small band, no more than 10 to my mind, who stand out in history as truly great players, Puskas is today attending a lunch at Wembley to celebrate his 70th birthday and announce the publication of a second autobiography.

It recalls a misty afternoon that left

English football in a state of shock. Deficiencies born of arrogant insularity were vividly exposed as a great Hungarian team employing innovative strategy out England apart, shattering utterly the belief that they were invincible at Wembley.

Puskas, Hungary's captain, scored twice. But it was the first of his goals which remains the most famous, because the manner of its execution captured the full flourish of

Hungary's skill and confidence. That it involved the contemptuous dismissal of Wright was stunningly significant. The Wolverhampton Wanderers half-back was more than just England's captain. Blond, sturdy, athletic, uncompromising but unswervingly fair, he typified a widespread perception of the English professional footballer. The sight of him confused by Puskas's trickery underlined the extent of England's humiliation.

They were a goal down within a minute. Nandor Hidegkuti's savage strike after a central thrust making nonsense of the popular theory that Continental players could not shoot. Jackie Sewell equalised for England, but by the 28th minute they were trailing 4-1. The third goal announced Puskas's impending greatness.



KEN JONES

England were back in strength when Sandor Kocsis switched play to Zoltan Czibor, who went past Bill Eckersley before sending in a low, diagonal centre that reached Puskas wide of the near post and about six yards from the goal-line. Concluding that it would be impossible for Puskas to turn back on goal, Wright

pounced. Puskas checked, dragged the ball back with the sole of his left foot and, with no more than a flicker of adjustment, fired a shot over Merrick's left shoulder.

From being comparatively unknown outside his homeland – typically, the warning signs of Hungary's success in the 1952 Olympic tournament had been ignored in England – Puskas had arrived. "That match at Wembley made my reputation," he said one night when we were looking back over his career. "Many things happened afterwards, but from then on I was a famous footballer."

Unfortunately, for the game in England, too much attention was given to Puskas's individual brilliance. Young professionals of the day began immediately, the next morning

as I recall it, to practice the ball skills they had seen when they should have been receiving an analysis of Hungary's teamwork and tactics.

The former Chelsea and Manchester United manager Dave Sexton was then playing for West Ham. "The Hungarians were a real eye-opener," he said this week. "I remember going home on the Underground, trying to figure things out for myself. The big thing was that they used Hidegkuti, who was a marvellous all-round player, as a deep-lying centre-forward with Puskas and Kocsis as twin strikers. England had Harry Johnston at centre-half and I felt sorry for him because he didn't know whether to follow Hidegkuti or hold his position. It would have helped if one of the wing-halves [Wright and Jimmy

Dickinson] had dropped back but they carried on as normal."

Most illuminating for Sexton was the realisation that strategy could be critical. "Of course, Hungary had some tremendous individuals but the most impressive thing was the way their game was put together," he added. "Some progressive thinkers were coming into our football, but to a large extent that Wembley experience passed us by. We should have learned a lot more from it."

After the Budapest uprising ended Hungary's period of dominance, Puskas formed an alliance with the Argentinian virtuoso Alfredo Di Stefano that was central to Real Madrid's domination of the European Cup. But is there a triumph in his mind to compare with Wembley? I doubt it.

Hopkins' exit puts Sussex in limbo

Cricket

DAVID LLEWELLYN

Ken Hopkins, the Sussex chairman, resigned his position then changed his mind at a stormy AGM at Brighton's Grand Hotel last night.

By the end of a confused and heated meeting the club was left with the skeleton of a new committee but constitutionally confused. However, the meeting was a clear victory for the club's new order, which remains determined to take the club into the future but to do so they were forced to rewrite the rules.

A special general meeting, called by the county's former fast bowler Tony Pigott and his supporters, is still scheduled for 8 April at Hove Town Hall although whether it will now be held – and last night's meeting clearly felt that staging it would result in a waste of time

– then confusion set in with the meeting agreeing to change the constitution and reduce the quorum to three committee members and one officer. But once the meeting had closed after more than two hours of heated and at times vitriolic debate, it was still unclear whether Hopkins was on or off the committee. Even he was confused.

It was eventually established that he was withdrawing his resignation in case the committee needed to call on him but that he would not be sitting on it. Overall the night was a triumph for Pigott who clearly wants to become involved in the day-to-day running of a club

and money – is still unknown. But the old-guard has gone, or rather it nearly has. Hopkins, the chairman of two weeks following the resignation of Alan Caffyn, originally agreed to resign along with the other three members of the old guard, once the mood of the meeting had made it clear that they would tolerate nothing less. But once the club's legal adviser, the solicitor Mike Long, had pointed out that the constitution required four elected members plus one officer in order to run affairs without being unconstitutional, there was a change of heart. They had the three newly elected members – the former captain Robin Marlar, Jim May and Dick Holst – plus the Duke of Richmond and Gordon, who was re-elected president to serve as the officer, so the floor agreed to let Hopkins remain on the committee temporarily.

Then confusion set in with the meeting agreeing to change the constitution and reduce the quorum to three committee members and one officer. But once the meeting had closed after more than two hours of heated and at times vitriolic debate, it was still unclear whether Hopkins was on or off the committee. Even he was confused.

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TODAY'S NUMBER

366,000

The number of tickets sold for this year's Winter Olympics to be sold by lottery after the organisers in Nagano, Japan, received 280,000 applications by the 14 March deadline. As each applicant can request up to eight tickets, the total may be around 2,000,000.

Scotland roll over Welsh

Bowls

Scotland finished without a losing record for the second successive day as they powered to a 14-4 win over Wales in Perth yesterday and issued notice to the holders. England, that they are determined to win the women's Home International title.

They opened up an early 10-5 lead after the opening end, increased it to 35-15 by the close of the fifth end and by the half-way mark had virtually sealed their victory as they held a 43-shot advantage at 80-32.

Evelyn McGarvie, a Perth club player, returned the top score after a 27-13 victory over Betty Morgan. Jean Sykes beat Gill Miles 29-16. Annette Christie overcame Ann Dainton 25-14, and Roberta Hutchinson, beat the former world outdoor champion, Janet Aickland, 24-14.

Dutch destroy Britain

Hockey

England suffered their worst-ever defeat at the hands of the Dutch Olympic champions in Karachi yesterday when they were beaten 6-0 in their third game in the Golden Jubilee Tournament, writes Bill Colwill.

More than holding their own in the opening exchanges, it was again a tale of missed opportunities at three early penalty corners before the Dutch opened the scoring. Once the Dutch had taken the lead in the 27th minute through Bram Lohmans at a penalty corner, England were always fighting an uphill battle.

Even so, England had a lot of possession in the first half which ended with goalkeeper save from Tycho van Meeter.

The second half was just three minutes old when the Dutch went further ahead when

Halifax hire Pendlebury as new coach

Rugby League

John Pendlebury has taken over as Halifax coach with a pledge to bring back the cohesion and sense of direction of the glory days that he shared with the club, writes Dave Hadfield.

Pendlebury, who has left Wigan's coaching staff in the continuing exodus from Central Park, spent part of his playing career with Halifax, appearing in the 1987 Challenge Cup final and making an unforgettable match-saving tackle.

"The big plus that was in place at Thruway Hall was the teamwork," Pendlebury said. "Our coach, Chris Anderson, made great play of people being selfish. That attitude showed on the pitch and that's what I'll be trying to achieve here."

Pendlebury replaces Steve Simms, who resigned after Halifax's Cup defeat by Keighley last month. He came up on the rails to earn the nod, just piping Huddersfield's KR Steve Crooks.

Halifax have secured £400,000 of the grant aid that they will need to upgrade The Shay in order to share the ground with Halifax Town FC. That still leaves the two clubs with a £100,000 shortfall, but Halifax still hope to be installed in time for their World Club Championship matches in July.

The Halifax hooker, Paul Rowley, is being linked with a possible move to Wigan, as is the Bath scrum-half, Ian Sanders.

Both have been approached by Wigan, who see Sanders after promising performances against them in the two cross-code matches last year, as a potential replacement for Shaun Edwards. Wigan, who are still holding out for a fee from the London Broncos for Edwards, have also been in touch with Castleford over their transferred half-back, Tony Smith.

The British referee, Stuart Cummings, has been appointed to take charge of the Anzac Day Test between Australia and New Zealand in Sydney on 25 April.

FOOTBALL RESULTS

Yesterday
EUROPEAN CUP
Quarter-finals second leg
Arsenal (0) 0-0 Borussia (0)
Rotherham 59

Southend (0) 0-0 aggr. (0)
Portsmouth (0) 0-0 Man Utd (0)

40,000
Middlesbrough United won 4-0 on aggregate.

Leeds (1) 1-2 Rotherham (0)
Aston Villa (2) 2-2 Birmingham (0)

Antwerp (0) 0-0 aggr. (0)
Juve (0) 3-2 aggr. (0)

FA CUP
Premiership
Cheltenham (1) 1-2 Southampton (0)
26,000
Bolton (0) 1-1 aggr. (0)
Tottenham (0) 1-1 aggr. (0)

25,000
Middlesbrough (1) 2-2 aggr. (0)
Leeds (0) 1-1 aggr. (0)

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Munich mover
Ian Stafford talks to Jürgen Klinsmann, page 26

sport

THURSDAY 20 MARCH 1997 • THE INDEPENDENT

Puskas putsch

Ken Jones recalls Hungary's demolition job, page 27

EUROPEAN CUP QUARTER-FINALS: English champions advance to face Borussia Dortmund without picking up any bookings

Porto snuffed out by Schmeichel

GLENN MOORE

Porto 0
Manchester United 0
Man Utd win 4-0 on aggregate

After the glory, the grin. Having delighted their own supporters with a display of attacking brilliance at Old Trafford a fortnight ago, Manchester United last night frustrated those of Porto with one of defensive solidity.

Having survived an early scare, the four-goal first-leg advantage was comfortably maintained. United thus moved confidently into a European Cup semi-final against Germany's Borussia Dortmund, who saw off the challenge of Auxerre with a 1-0 victory in France to complete an emphatic 4-1 aggregate win.

It is the first time United have reached the last four of Europe's most prestigious and lucrative club competition since 1969 when they lost, on away goals, to Milan. It also was the first time any English club have reached this stage since Liverpool in 1985.

David May was United's outstanding player last night, making one particularly crucial early tackle, but there were also fine performances from Peter Schmeichel, Gary Neville, Gary Pallister and Roy Keane.

Porto had made six changes from the first leg, three of them enforced through suspension. Henrique Hilario, the goalkeeper who had been so inept in the 4-0 defeat at Old Trafford, was among those dropped – he was not even on the substitutes' bench. United made just two changes: Keane and Nicky Butt both returned from injury, allowing Ryan Giggs and Andy Cole to rest their respective thigh and hamstring strains.

United were roared on by a near-10,000 bank of red-shirted supporters who occupied a whole end of the cavernous natural bowl of Estadio das Antas. Unfortunately some 20 supporters were slightly injured, with three taken to hospital outside the ground before the match. The problems arose due to congestion at the turnstiles, exacerbated by ticketless fans trying to gain entrance.

In the second minute Rui Jorge's cross from the left elicited Pallister and Jardel brought a fine save from Schmeichel with a flying header. Two min-



Manchester United's Nicky Butt tangles with the Porto defence during last night's European Cup quarter-final tie in Portugal

utes later the goalkeeper should have been beaten: Ljubinko Drulovic's pass to Edmílson sprang the offside trap and, with Jardel in support, the Brazilian advanced on Schmeichel.

A goal seemed certain but Edmílson delayed his pass long enough for May to get back and block Jardel's shot.

These scares seemed to unsettle United, who gave the ball away with great frequency. With both David Beckham and Butt naturally drawn into the centre, Porto found space on the flanks. Such was the speed and quality of their passes on a

bowling-green pitch, they also prospered through the centre. Barroso and Paulinho Santos shot over from distance while Rui Jorge did the same from worrying closer.

United had not even entered the Porto area at this point but, after 21 minutes, Beckham was fouled by Edmílson from just over 35 yards out. It seemed too far to shoot but the England midfielder lined himself up and struck the bar with a wickedly low shot.

United now came into the game: Ole Gunnar Solskjær and Cantona combined to win

a corner, then the Norwegian dribbled past two players and shot just wide.

Porto continued to threaten, however, and Jardel wasted an excellent chance by shooting well wide from 10 yards after Rui Jorge had put him through.

Porto's profligacy was underlined by the half-time statistics, which showed they had one shot on target and 10 off. United had had one of each.

Those figures presumably counted Beckham's shot against the bar as being on target. Two minutes after the break he went closer, troubling Andrei

Wozniak with a 25-yard drive. This was an isolated effort as Porto, now attacking their own fans, exerted further pressure in an attempt to force the breakthrough they so desperately craved. It nearly came after 51 minutes when Edmílson headed over from a good position, then the same player brought a good save from Schmeichel after bursting through two tackles.

United stood firm, with Gary Neville and May both making a couple of excellent interventions with head and boot. The frustrated Jardel, who was

growing more petulant by the minute, eventually managed a shot on target. It was an extravagant attempt, a well-executed overhead kick, but Schmeichel was perfectly positioned to collect it.

Beckham continued to be

United's main threat and Rui Jorge was booked for hauling him back after Cantona's chip had released him from the halfway line. With 20 minutes left, United introduced Paul Scholes and, had Keane found him well placed five minutes later, he could have opened the scoring.

Porto's frustration was summed up when Edmílson headed a clear chance straight at Schmeichel with five minutes to go. He fell to the ground in despair while the Porto fans, now leaving in their hundreds, threw their arms up in contempt.

Paris (4-2-3-1): Wemel; Job, Pinto, Zelio,

37. Jorge Costa, John Manuel Pinto, Fernando

Reis (rest), 48. Rui Jorge; Edmílson, Jardel,

Dulovic. Substitutes not used: Eriksson (gk),

Luis.

Manchester United (4-4-2): Schmeichel; G

iggs, 37. Paul Scholes, 20. Keane, Johnsen, Butt,

22. Cantona, Solskjær (subbed), 70. Substitutes not

used: Van der Gouw (gk), McCleary,

Referee: K Nielsen (Denmark).

Photograph: Alex Livesey/Alisport

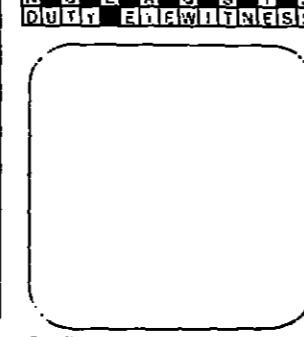
THE INDEPENDENT CROSSWORD

No 3251, Thursday 20 March

By Spurias

Wednesday's solution

DISHWASHER	SWAP
E O H T V R A D	APPLE AMETHYSTS
D R E R G N E S T	DRAWL ENTOURAGE
U N O D M I R	CHIEF CONSTABLE
F O A I R	DAY OF RECKONING
W E R T A S T I	FORESTASIS OBELI
F I U T D O R F W	ECCENTRIC INANE
N O E A O S T S	DUTY EERWITNESS
D U T Y E E R W I T N E S S	



ACROSS
1 Irish vehicle driven through North America to reach the ultimate state (7)
5 A church member, for example, interrupting Sergeant Major's mocking language (7)
9 Where some rub shoudlers, etc (7)
10 Embarrassed about home? It's like a new pin (5)
11 Gas surprisingly clean, yet ultimately unreliable (9)
12 Plant comparatively late opening, fun when cultivated inside (9)
14 Fear daughter understood (5)
15 Bits of glass ordinarily regarded as recycled waste (5)
16 College is to change, accepting graduates (4,5)

DOWN
1 About one, head gets me to come in – retribution? (7)
2 First-round eliminator? (7,8)
3 In the morning, foolish artist's turned up with flowers (9)
4 Arab woman seen in stadium (5)

Seaman ready for England

David Seaman is set to be named today in England's squad for the friendly with Mexico on 29 March at Wembley, having recovered from the injury which kept him out of the World Cup tie with Italy last month, writes Glenn Moore.

Seaman resumed training on Tuesday and should prove his fitness for Arsenal against Liverpool on Monday, Boro will surely have the comfort of another six home points before they face the Premier League appeals panel at Lancaster Gate next Wednesday.

Docked three points for their

non-attendance at Blackburn in December, Bryan Robson's team not only turned up at the Riverside last night but made Rovers feel their presence with a victory that takes them off the foot of the table. Chris Sutton's 68th-minute header was not enough to overcome the damage done by Juninho with his impudent first-half finish and Seaman's 26th goal of the season – slotted through the legs of Tim Flowers – on the hour.

The Blackburn fans wasted no time in enquiring: "Where were you at Ewood Park?" And the presence of the Middlesbrough defence was questionable in the ninth minute, when

Jason Wilcox was granted an unopposed passage into the box before squaring the ball to the unmarked Kevin Gallacher, who astonishingly steered his shot wide. His great-grandfather was doubtless turning in his grave. Patsy Gallacher, the Celtic all-time great, once scored in the Scottish Cup final by wedging the ball between both feet and vaulting into the net, over the prostrate defenders and goalkeeper who barred his path.

It was a mighty let-off for Middlesbrough, who struggled to make headway through the tight opposition ranks. Clayton Blackmore rattled Tim Flowers' crossbar with a long-range effort, but it was not until half-

Sheringham makes late point

WYN GRIFFITHS

Leicester City 1
Tottenham Hotspur 1

matches, equalised in the 90th minute after Leicester appeared to be heading to victory through Steve Claridge's 74-minute goal.

Leicester managed to threaten to find fluency. In a campaign undermined by injury, David Howells became the latest casualty in the 38th minute when he was taken off on a stretcher after a leg injury following a collision with Muzzy Izzet.

The second half began in marked contrast to the torpor of the opening spell, with Leicester making an immediate impression. First Steve Guppy

turned a Neil Lennon cross past a post. Then Claridge was narrowly wide with a speculative long-range effort after he had spotted Walker off his line.

Tottenham's swiftly countered. Poole twice came to his side's rescue as he blocked a shot from substitute Jason Dozzell and kept out a fierce effort at the far post from Worsley.

Again Sheringham found space, but directed his header from Andy Sutton's cross a yard wide.

Leicester City: Poole, Guppy, Probert, John Lennon, Peter Chilton, Michael Prokes, Steve Claridge, Neil Lennon, Andrew Ayew, Walker, Austin, Peter Crouch, 73. Cattermole, Carroll, Steele, Carr, Souness, Neil Lennon, 80. Michael Sheringham, 82. Steve Worsley, 84. Jason Dozzell, 86. Peter Worsley. Substitutes not used: 73. Taylor, Lawrence, 82. Michael Sheringham, Walker, Austin, Peter Crouch, 73. Cattermole, Carroll, Steele, Carr, Souness, Neil Lennon, 80. Michael Sheringham, 82. Steve Worsley, 84. Jason Dozzell, 86. Peter Worsley.

Referee: I Dines (Wales).

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